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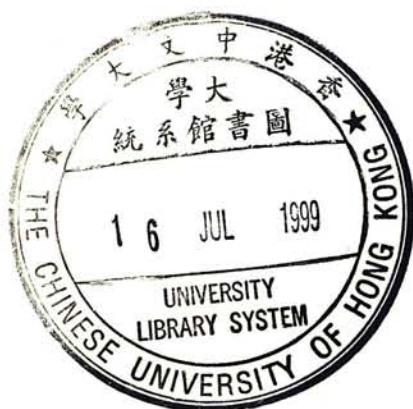
M.Phil. Thesis

In partial fulfillment of the degree requirements

**Politicians, Legislature, and Localism in Guangdong
-- towards an institutionalized autonomy**

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Contents

	<i>Page number</i>
Acknowledgements	v
Abstract	vi
Abbreviations	viii
Tables and figures	ix
Chapter 1 Introduction	1
1.1 The research question	1
1.2 The research method	3
1.2.1 The legal and political scales	3
1.2.2 The adaptation of Page's method in China	5
1.2.3 The utilities of the two scales	6
1.3 The research plan	8
Chapter 2 Central-local relations in China: an overview	10
2.1 Major reforms in central-local relations	10
2.2 Provinces under the economic cycle	13
2.3 The case of Guangdong	14
Chapter 3 Legal assessment I: China	16
3.1 The general legal framework	17
3.1.1 Omni-competence	17
3.1.2 Dual subordination	18
3.1.3 The role of the Party	20
3.2 Legal documents and opportunities	21
3.2.1 National laws	21
3.2.2 Administrative regulations	22
3.2.3 Government/Party documents	24
3.2.4 Local legislation	27
3.3 Assessing legal localism	28
Chapter 4 Legal assessment II: Guangdong	30
4.1 Build up a legal framework: 1979-1988	31
4.2 Recession: 1989-1990	34
4.3 Legislation of interests: 1991-now	34
4.3.1 The case of the regulation for property registration	37

4.4	Development of other provinces: a comparison	40
4.5	Major findings	43
Chapter 5	Political assessment I: China	44
5.1	Page's methodology	44
5.2	The conventional approach	45
5.2.1	The National People's Congress	46
5.2.2	The CCP Politburo	48
5.3	The mechanism of maintaining local representation	50
5.3.1	Patron-clientelism in Italy	50
5.3.2	Reciprocal accountability and particularism in China	51
5.4	Assessing political localism	53
Chapter 6	Political assessment II: Guangdong	55
6.1	1979-1984: harmonious central-Guangdong relations	55
6.1.1	Preparation of the special policies	56
6.1.2	Contents of the special policies	57
6.1.3	Ren Zhongyi's period	58
6.1.4	Central criticism and Guangdong's response	59
6.1.5	The first five years of reform	61
6.2	1985-1988: the climax of Guangdong's autonomy	62
6.2.1	State Council Document (1985) No. 46	62
6.2.2	State Council Correspondence (1988) No. 25	64
6.3	1989-1997: defending local autonomy	66
6.3.1	Economic retrenchment and Guangdong's response	66
6.3.2	Introduction of tax-sharing system	68
6.3.3	Resisting "northerners"	70
6.3.4	The coming of outsiders	71
6.4	Major findings	72
Chapter 7	The trend of change	74
7.1	The connection between legal and political localism	75
7.1.1	Scenario I	75
7.1.2	Scenario II	78
7.1.3	Scenario III	80
7.1.4	Some observation	84
7.2	Implications on institutionalization	85
7.2.1	Definition of institutionalization	85
7.2.2	The lack of institutionalization in China	86
7.2.3	Institutionalization and Guangdong	88
7.3	Legal localism: a desirable outcome	91
7.3.1	Major features of political localism and legal legalism	91
7.3.2	Implications on institutionalization	96
7.3.3	Desirability of legal localism	98
7.3.4	The course towards legal localism	98

Chapter 8	Conclusion	102
8.1	Legal centralism and political localism	102
8.2	The lack of institutionalization	103
8.3	The prospects: legal localism or dual localism	104
8.4	Directions for further studies	106
Appendices		
I	A complete list of local legislation of Guangdong	108
II	Leaders of Guangdong Province, 1949-1998	118
References		119

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Abstract

This thesis explores the opportunities available for provincial élites in Guangdong to shape local policies based on the two scales developed by Mackenzie and Page. Legal localism means that local political élites may significantly shape local policies by exercising the authorities prescribed in law, and political localism means that political elites may significantly shape local policies by influencing national decision making. It is found that the pattern of the central-provincial relations in China is based largely political localism, while Guangdong is undergoing the process towards greater legal localism. The momentum for Guangdong's moving towards local legalism is the robust development of local legislation, which people value and will strengthen. As many functions and discretion of government agencies are specified by law, the autonomy of Guangdong is institutionalized to a considerable degree. The paper argues that legal localism is a desirable pattern for central-local relations in China, considering the features that legal localism normally associates, such as high degree of institutionalization and local autonomy, pluralism, professionalism, and stable regime. If the trend continues, a central-Guangdong relationship based on legal localism will be a likely future, although its realization requires more profound reform of the central-local relations and citizens' apt attitudes for the rule of law.

摘 要

是次研究在麥健士和皮治發展的研究方法上研究廣東省政治精英所能利用的決定本地事務的因素。在文中，法制型地方主義是指政治精英能通過法律文件所賦予的權限來決定地方事務，政制型地方主義是指政治精英能通過影響中央決策來決定地方事務。研究表明，中國的中央 - 地方關係是建基於政制型地方主義之上的。但是，由于地方立法的增加，廣東正朝著法制型地方主義的方向發展，并使廣東的自主權出現了一定程度的制度化。由于法制型地方主義具有使中央地方關係制度化及調動地方積極性等方面的優點，研究認為中國應發展法制型地方主義。由于人們對地方立法的重視，地方立法的工作將繼續加強，使形成在法制型地方主義上的中央 - 廣東關係成為可能。但是，法制型地方主義的最終實現需要更徹底的中央地方關係的變革以及人民對法治的正確觀念和態度。

Abbreviations

NPC	National People's Congress
NPCSC	National People's Congress Standing Committee
PPC	Provincial People's Congress
PPCSC	Provincial People's Congress Standing Committee
CCP	Chinese Communist Party
CCPCC	Chinese Communist Party Central Committee
SEZ	Special Economic Zone
MPs	Members of Parliament
QUANGOs	Quasi-autonomous non-governmental organizations
FBIS	Federal Broadcast Information Service
ZDGGZH	<i>A compilation of central directives on Guangdong's work (Zhongyang dui guangdong gongzuo zhishi huibian)</i>

Tables and figures

	<i>Page number</i>
TABLES	
Table 1 GDP of Guangdong, 1978-1996	15
Table 2 Major Party documents concerning Guangdong	25
Table 3 Number of legislation passed by some provinces	42
Table 4 The composition of the Seventh NPC, 1988	47
Table 5 Percentage of national politicians having local government background	48
Table 6 Politburo members with local experiences, 1977-97	49
Table 7 Some characters of the two types of local politics	95

FIGURES	
Figure 1 Patterns of opportunity structure	5
Figure 2 Classification of local government systems by Humes IV	20

Politicians, Legislature, and Localism in Guangdong

-- Towards an institutionalized autonomy

LI Jiehui

Chapter 1 Introduction

1.1 The research question

This thesis is about the opportunities for local political élites to shape local policies in Guangdong, China. Local government everywhere in the world provides a large proportion of public services, deals with citizens most directly, and thus significantly affects our society. The value of local government lies in its “being local.” Being local allows people to participate in local affairs by responding to local issues and influencing the decisions of local government. Responsiveness and accountability, in many scholars’ view, are the greatest strengths of local government.¹ For liberal theorists, local government is an important vehicle for the maximization of democracy. John Stuart Mill and de Tocqueville have viewed local government as a supreme democratic institution for training statesmen and educating the electorate to be active

¹ George Jones and John Stewart, *The case for local government*, London: Allen and Unwin, 1985; K. Young, “The justification of local government,” Michael Goldsmith, *Essays on the future of local government*, Wakefield: West Yorks MCC., 1981, pp. 8-20.

participants in the system. Being an indispensable pillar of democracy, local government shall be autonomous in its own right.²

This, however, contrasts with the reality that local government is a subordinate institution in the national political configuration. The structure and power of local government are therefore subject to the control of higher level of authorities, and can be changed by them. The justification for this is the view that local government is an efficient provider of public services, and is essentially a local branch of the nation-state administrative apparatus. In this regard, there is almost a "conventional wisdom" to reorganize local governments into bigger units and to put local government under more central control so as to achieve delivery efficiency.³

Thus local government has been inherently caught in an efficiency-democracy and subordination-autonomy dualism since its existence. On the one hand, local government is supposed to act according to the preferences established within the locality. On the other hand, this is predestined to be difficult because local government has to follow central instructions which give expression to national preferences. Under this situation, it will be interesting to know how autonomous local government is vis-à-vis the national authorities. Clearly, the autonomy of local government relates directly to the opportunities available for local government to shape local policies. The more such opportunities are available, the more autonomous is local government.

Thus, what are such opportunities? How can local political élites take these opportunities to determine local affairs and shape local public services? There have been studies of this kind for the developed countries in Europe and America, but

² Dilys M. Hill, *Democratic theory and local government*, London: George Allen and Unwin, 1974, p. 17.

³ R.A.W. Rhodes, *Control and power in central-local relations*, Hants: Gower, pp. 14-7.

systematic studies of such kind are not yet available in China, which is a very different regime from Western democracies. What is the situation in China? How is it different from those in the Western democratic countries?

This study attempts to answer these questions by focusing on the central-Guangdong relations since 1978. In the past two decades, Guangdong officials have been apt to utilize or even “create” various opportunities for the development of the province. Guangdong witnessed rapid economic growth, while at the same time the province has been renown for its “localism.”⁴ An in-depth study of the province is therefore expected to shed light on our understanding of the above questions.

1.2 The research method

This thesis will base its exploration of the opportunities for local political élites to shape local policies upon two dimensions developed by Mackenzie and Page.

1.2.1 The legal and political scales

In his “Local government in parliament,” Mackenzie distinguishes two scales, political and legal, to describe the varying degrees of integration between local government and central government.⁵ Based on Mackenzie’s ideas, Page identifies two broad ways – legal and political – in which local élites can influence local policies. First, local political élites may exert their influence by exercising authorities provided by formal legal documents, for example, to raise local revenue and decide how and where the money is spent. The opportunities available for local political élites who employ this

⁴ David S.G. Goodman and Feng Chongyi, “Guangdong: greater Hong Kong and the new regionalist future,” David S.G. Goodman and Gerald Segal (eds.), *China deconstructs: politics, trade and regionalism*, London: Routledge, 1994, pp. 177-201.

⁵ W.J.M. Mackenzie, “Local government in parliament,” *Public administration*, vol. 32, 1954, pp. 409-23.

means can be assessed on a legal scale, which measures the scope for action by the local authorities at its discretion to run or shape public services.⁶

Second, local political élites may influence public policy by “using their political authority as democratically legitimate representatives of the locality, or a significant section of its population, to influence national decisions in so far as they affect the locality.”⁷ Examples of this include getting special legislation for a public work project, acquiring permission to borrow money, and so and so. As a general rule, the more local interests are represented in the center, the more opportunities local politicians will have. The opportunities for making this kind of influence may be assessed on a political scale, which measures the extent to which local interests are represented at the national level. Mackenzie, for example, counts the number of Members of Parliament who have local experience to see whether local government is adequately represented at the central level.⁸

“Localism” in this paper means the presence of opportunities for local political élites to shape local policies, while centralism means the absence of such opportunities.⁹ Thus, the opportunity structure in a regime’s central-local arrangements may be characterized based on the presence or absence of either the political opportunities or legal opportunities (Figure 1). Along the legal scale, Page argues that the arrangements of central-local relations in Britain represent typical legal localism, which means that substantial authorities prescribed in law have offered local élites rich opportunities to

⁶ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, New York: Oxford University Press, 1991, p. 6.

⁷ Ibid., p. 5.

⁸ W.J.M. Mackenzie, “Local government in parliament.”

⁹ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 6.

shape local affairs. In contrast, France, Italy, and Spain are regarded as exemplary cases of political localism, which is characterized by the availability of opportunities for local political élites to shape local policies through influencing the decision making at the national level. Interesting enough, political localism coincides with legal centralism, and legal localism coincides with political centralism in the seven countries Page has studied.¹⁰

Figure 1 Patterns of opportunity structure

	YES (opportunities available)	NO (opportunities absent)
The legal opportunity: can local élites determine local policies by exercising the authorities specified in law?	Legal localism	Legal centralism
The political opportunity: can local élites determine local policies by influencing national decision making?	Political localism	Political centralism

1.2.2 *The adaptation of Page’s method in China*

Although Page and Mackenzie’s methodology was developed in the Western context, it may be satisfactorily adapted to the conditions in China. Localism exists in any regime in the world, occidental or oriental, capitalist or communist. The idea of examining localism on two dimensions – legal and political – does not limit its application to the Western regimes. For all the regimes where localism exists and where there are legal and political activities, such idea may be adopted for investigation and study.

¹⁰ Ibid., Chapters 2 and 3.

This is not to say that specific conditions in some countries may be neglected. In China, for example, laws and many legal institutions are still in the development stage, and the provincial leaders are to a large extent appointed by the center rather than elected democratically by local people. Local political élites in China, therefore, mean that they have the status, role, responsibility, work pressure and incentive structure that are associated with the posts of a territorial hierarchy. In contrast, local political élites in the Western context may mean that they are elected, appointed, or even brought up and educated in a particular locality, and are usually answerable to their constituency. Despite all this, the framework developed by Mackenzie and Page is adaptable to fit in different situation and make sense. Details of the adaptation will be addressed in the specific parts concerned.

1.2.3 The utilities of the two scales

There are a number of merits for this study to adopt the two-scale framework among other possible ones. First, the two scales help us to break the complex central-local relations into two clear and easy-to-measure dimensions without using such vague terms as centralization and decentralization. Second, although central-local relations are more than these two dimensions, they have nevertheless included major government activities and therefore we do not miss any important elements for this kind of study. The clientelistic/patronage model in studying central-local relations,¹¹ for example, can be well incorporated into the political dimension of the subject. Surely the two scales do not say everything about central-local relations, and not as much as those studies that

¹¹ Michael Goldsmith, "Local autonomy: theory and practice," Desmond S. King and Jon Pierre (eds.), *Challenges to local government*, London: Sage, 1990, pp. 15-36.

employ tens of variables do.¹² However, they are able to make “valid distinctions which can then be used to highlight issues and processes which would not be possible, or at least would be far more difficult, using concepts at a lower level of abstraction.”¹³

Third and most importantly, the two scales are themselves meaningful in accounting the development of central-local relations. As will be shown later, a major defect of central-local relations in China is the lack of institutionalization. Assumably the more the opportunities for local political élites to shape local policies are offered by law, the more institutionalized will be the central-local relations. It will be of great interest to know, therefore, whether or not the legal opportunities provided by law increase in the past two decades.

Lastly, a comparison of the central-local relations in different countries based on these two scales may yield other interesting findings. Mackenzie has found that the integration between the local government and central government on the legal scale may not correspond to that on the political scale.¹⁴ Page goes further to investigate the consequences of different patterns of localism, and finds that political localism enhances politicians’ power vis-à-vis professional administrators.¹⁵ Although this is out of the scope of this study, these two scales and the data concerned may provide a tool and materials for further research.

¹² For example, in his *Beyond Westminster and Whitehall: the sub-central governments of Britain* (London: Hyman Unwin, 1988), R.A.W. Rhodes uses over thirty variables to depict the development of central-local relations in Britain.

¹³ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 11.

¹⁴ W.J.M. Mackenzie, “Local government in parliament,” pp. 42-3.

¹⁵ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 69-96.

1.3 The research plan

This study will assess the opportunities available for local political élites to shape local policies in China with focus on Guangdong province.

The rest of the paper will be divided into seven chapters. The next chapter will give an overall picture of the central-local relations in China since 1949 and basic information concerning Guangdong to serve as the background and context for our investigation into the central-Guangdong relations. The legal arrangement will then be analyzed and assessed in Chapters 3 and 4, followed by the assessment of the political arrangement in Chapters 5 and 6. For a better understanding of the central-Guangdong relations, major characters of the legal and political arrangements of central-provincial relations in China will first be discussed respectively in Chapters 3 and 5 to reveal the opportunities which Guangdong, as well as other provinces, may employ to shape local policies. Then Chapters 4 and 6 will focus on the changes of such opportunities in Guangdong and some effects of these changes in Guangdong. After evaluating the characters and changes of the legal and political arrangements of central-Guangdong relations in China, Chapter 7 will look further into the connection between political and legal localism, the reasons for the changes in the political and legal arrangements, and the implications of these changes on institutionalization. The potential course towards a central-local relationship based on legal localism, which is considered desirable, will be also discussed. The final chapter is to sum up major findings of this study and offer some suggestions for further studies.

The data for this research came from two kinds of sources. One was those published materials in books, articles, newspaper and government documents. As data

from this source might not be able to answer some specific questions, interviews were also conducted so as to get necessary insights about the research questions and supplement the published materials.

We now turn to the background of central-local relations in China.

Chapter 2 Central-local relations in China: an overview

This chapter is to give an overall picture of the central-local relations in China since 1949 as the background and context for our investigation into the central-Guangdong relations. Over the past few decades the design and practice of central-local governmental relationship has undergone rounds of changes in either the developed or developing world. “Few government reforms,” a scholar notes, “have been as widespread as the reforms at the sub-national level.”¹⁶ China is no exception to this rule, despite many of its unique characters.

2.1 Major reforms in central-local relations

As early as in 1950, one year after the establishment of the People’s Republic, China began to build up a Soviet-type command economy. Under such a system, almost every area of economic activities, such as economic plan, resource distribution, trade, price and labor management, became subjects of central control, and local governments were but the extension of the central government. In this period, even an acquisition of fixed property of one hundred Yuban required approval from Beijing.¹⁷ During two rounds of decentralization in the periods from 1957 to 1958 and from the late 1960s to the 1970s, local governments assumed some functions of economic management, but economic disorder was subsequently produced, and then came other forms of recentralization. The economy was rarely attended by people in this period, as local

¹⁶ Bruno Dente and Francesco Kjellberg, “Introduction,” Bruno Dente and Francesco Kjellberg (eds.) *The dynamics of institutional change: local government reorganization in Western democracies*, London: Sage, 1988, p. 1.

governments and enterprises were concerned more about politics than economy due to the highly politicized atmosphere accumulated in rounds of political campaign.¹⁸ As a result, once the economy was centralized, the economy became “dead”; once decentralized, the economy became uncontrollable (*yi shou jiu si, yi fang jiu luan*).

From 1978 on China saw a comprehensive reform aimed at “socialist modernization.”¹⁹ While the central theme of the reform, that is, to improve the force of production, was largely in economic terms, the building up of socialist democracy and legality was also put onto agenda. The core of the reform was a set of decentralization policies, not only economically, but also politically.

Briefly speaking, the economic measures included, among other things, a fiscal contract system (*caizheng baogan*) under which the provincial governments²⁰ might retain a portion of local financial income at their disposal. Provincial governments also obtained various authorities of economic management, such as to approve investment projects within a specific amount. These policies were to give provincial governments and enterprises more incentives to foster local economies. In the political arena, the center granted law-making power to the provincial-level people’s congresses, and introduced a new election method which allowed more candidates than the seats to be

¹⁷ Zhou Taihe (ed.), *Dangdai zhongguo de jingji gaige* (Economic reform in contemporary China), Beijing: Zhongguo Shehui Kexue Press, 1984, p. 84.

¹⁸ For details, refer to Zhao Suisheng, “China’s central-local relationship: a historical perspective,” Jia Hao and Lin Zhimin (eds.), *Changing central-local relations in China: reform and state capacity*, Boulder: Westview Press, 1994, pp. 19-34; Ma Hong et.al. (eds.) *Zhongguo gaige quanshu* (A comprehensive book of reform in China), vol. 1, DaLian: Dalian Press, 1992, pp. 3-78; and Fang Weizhong, *Zhonghua renmin gongheguo jingji dashi ji 1949-1980* (Major economic events of the People’s Republic of China 1949-1980), Beijing: Zhongguo Shehui Kexue Press, 1984.

¹⁹ Wang Hongmo et.al., *Gaige kaifang de licheng* (The process of reform and openness), Zhengzhou: Henan Renmin Press, 1989, pp. 130-5.

²⁰ In this paper “provinces” include provinces (*sheng*), autonomous regions (*zizhiqu*), and municipals under direct central control (*zhixiashi*), and “provincial governments” include the governments of provinces, autonomous regions and municipalities under direct central control.

filled (*cha e xuanju*).²¹ Furthermore, substantial authorities over cadre management were devolved to lower levels since the mid 1980s so that local governments could control the personnel directly below them.²² Clearly, these measures not only benefited local governments, but also helped delegate power into more units. For one thing, the bitter experiences of the political campaigns, especially the Great Proletarian Cultural Revolution, had told reformers that it was highly dangerous if power was concentrated in a few people's hands.²³

The reform years witnessed a high speed of economic growth. The gross domestic products increased from RMB 362.4 billion Yuban in 1978 to 5,773 billion Yuban in 1995, or nearly five times of the 1978 value in real term.²⁴ The side effects accumulated during the years were also apparent, however. Provinces were competing with each other for favorable policies and resources. Economic resources were in effect compartmentalized, which gave rise to "regionalism."²⁵ Serious economic crime and corruption persisted, and the soaring inflation led to popular disaffection and, indirectly, the Tian'anmen Crisis in 1989.²⁶ Under such circumstances, the State Council launched an all-round retrenchment policy characterized by restriction and recentralization in late

²¹ Refer to the *Organic Law of Local People's Congresses and Local People's Governments* and the *Electoral Law of Local People's Congresses and Local People's Government* enacted by NPC, 1979.

²² Wu Guoguang, "Zhongyang yu difang fenquan de tedian, qushi, yu zhengzhi yingxiang (The characters, trends, and political implications of the division of power between the central and local governments)," Wu Guoguang and Zheng Yongnian, *Lun zhongyang-difang guanxi: zhongguo zhidu zhuanxing zhong de yige zhouxin wenti (On the central-local relationship: a core problem of institutional transition in China)*, Hong Kong: Oxford University Press, 1995, pp. 165-98; John P. Burns, "China's nomenklatura system," *Problems of communism*, vol. 36, Sep./Oct. 1987, pp. 36-51.

²³ See, for example, Deng Xiaoping, *Deng Xiaoping Wenxuan 1975-1982 (A collection of Deng Xiaoping's works 1975-1982)*, Beijing: Renmin Press, 1983, pp. 280-302.

²⁴ *PRC Year Book 1996/97*, pp. 427-8.

²⁵ See Maria Hsia Chang, "China's future: regionalism, federation, or disintegration," *Studies in comparative communism*, vol. 25, no. 3, September 1992, pp. 211-27; Xin Xiangyang, *Daguo zhuhou: zhongguo zhongyang yu difang guanxi zhi jie (Dukedom in a big country: the knot of central-local relations in China)*, Beijing: Zhongguo Shehui Press, 1995.

1988. It was not until 1992, when state patriarch Deng Xiaoping toured to the South, that the Central Government loosened its control over the economy. But soon came another round of economic overheating, followed by yet another round of retrenchment aimed at “soft landing.” Clearly, up to the early 1990s, the central-local relations in China were not yet stabilized. The centralization-decentralization- recentralization pattern of Chinese reform had not escaped the vicious cycle of *yi tong jiu si, yi fang jiu luan* (once centralized, the economy becomes lifeless; once decentralized, the economy becomes uncontrollable).

2.2 Provinces under the economic cycle

It was probably the provinces that felt the strongest effect of the cycle of centralization and decentralization. During the decentralization period, provinces were encouraged to take faster and bigger steps to boost local economy, while during the centralization period not only many projects had to be suspended or canceled, but many authorities and favorable policies might be taken back by the Central Government.²⁷ After years of reform, however, provincial governments have acquired a considerable amount of economic and political resources, and embodied more and more local interests. Provinces tend to maximize their autonomy, achieve faster rates of economic growth, and retain as much financial income as possible. As Harding notes it, what is

²⁶ The soaring price had almost triggered a social unrest early in 1988, see Lowell Dittmer, “China in 1988: the continuing dilemma of socialist reform,” *Asia survey*, vol. 29, no. 1, January 1989, pp. 12-28.

²⁷ See, for example, Henny Sender, “Pulling the welcome mat: Beijing gets tough on foreign investment in power,” *Far eastern economic review*, vol. 157, Apr. 14 1994, pp. 74-5; Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (*Autonomous behavior of the provincial government: Guangdong Government in the reform and open era*), M.Phil. Thesis, Department of Government and Public Administration, The Chinese University of Hong Kong, 1990, pp. 51-4.

“unique to the post-Mao era is the growing ability of the provinces to pursue these interests.”²⁸

2.3 The case of Guangdong

Generally speaking, Guangdong is a province with strong local identity.²⁹ Partly because of this, and given it was situated in the “front area” of potential warfare between China and the capitalist world, Guangdong received little investment and preferential treatment from Beijing in the first three decades after 1949. As a result, the growth of agriculture and industry in the province lagged behind the average performance of the nation.³⁰ Since 1978, however, the province had been granted favorable policies from Beijing. The province has achieved tremendous economic success, and its average annual growth rate in terms of GDP reached 14.4 percent during the period from 1979 to 1996.³¹ (See also Table 1). Today Guangdong is the biggest economy among the provincial-level units in China.³²

²⁸ Harry Harding, “‘On the four great relations’: the prospects for China,” *Survival*, vol. 36, no. 2, Summer 1994, pp. 22-42.

²⁹ For more details about the local identities and socio-economical features of Guangdong, see David S.G. Goodman and Feng Chongyi, “Guangdong: greater Hong Kong and the new regionalist future”; Peter T.Y. Cheung, “Relations between the central government and Guangdong,” Y.M. Yeung and David K.Y. Chu (eds.), *Guangdong: survey of a province undergoing rapid change*, Hong Kong: The Chinese University Press, 1994, pp. 19-51.

³⁰ The average growth rate of GDP in Guangdong from 1953 to 1978 was 5.1 percent per annum, 1 percent lower than the national average; the average annual growth rate of industry in Guangdong from 1966 to 1975 was 9.7 percent, vs. the national 10.7 percent; of agriculture, Guangdong was 2.6 percent, vs. the national 4.0 percent. Data from David S.G. Goodman and Feng Chongyi, “Guangdong: greater Hong Kong and the new regionalist future,” pp. 182-3; and Peter T.Y. Cheung, “Realigns between the central government and Guangdong,” p. 22.

³¹ *Statistical Yearbook of Guangdong 1997*, p. 73.

³² In 1996, the GDP, value added of the tertiary sector, fixed asset investment, basic construction investment, retail of consumer goods, custom export, and government revenue in Guangdong were the greatest among those in the provincial-level units. *Guangdong yearbook 1997*, p. 620.

Table 1 GDP of Guangdong, 1978-1996

Year	GDP (current price in billion RMB)	Index (the above year as 100)
1978	18.585	101.0
1979	20.934	108.5
1980	24.965	116.6
1981	29.036	109.0
1982	33.992	112.0
1983	36.875	107.3
1984	45.874	115.6
1985	57.738	118.0
1986	66.753	112.7
1987	84.669	119.6
1988	115.537	115.8
1989	138.139	107.2
1990	155.903	111.6
1991	189.330	117.7
1992	244.754	122.1
1993	343.186	122.3
1994	451.663	119.1
1995	573.397	114.9
1996	651.914	110.7

Source: Guangdong Statistical Bureau, *Guangdong Statistical Yearbook 1997*, Beijing: Zhongguo Tongji Press, 1997, pp. 90-2.

With its economic basis and the support from the central leadership, the provincial Government of Guangdong exercised great autonomy over its internal affairs, particularly in the period before 1989. Since then, however, Beijing decided to give Shanghai higher strategic priority in China's reform, and the most favorable policies have gone to Shanghai instead of Guangdong.³³ Thus Guangdong has undergone a "political cycle" in terms of central patronage. It will be interesting to see how Guangdong responded to such changes, and whether there were any changes in the Province's autonomy in extent and in character.

³³See, for example, Elizabeth Cheng, "Now it's bund aid," *Far eastern economic review*, vol. 147, no. 11, 15 March 1990, pp. 38-9.

Chapter 3 Legal assessment I: China

This chapter measures the opportunities available for political élites in the provinces to shape local policies on the legal scale. According to Page, the legal scale measures the functions performed by local governments and the discretion a local government has to perform these functions.³⁴ Such functions and discretion of the local government are not necessarily prescribed by law, but by formal legal documents.³⁵

What may be counted as formal legal documents in China differs from that in Western democracies. All the laws, government documents and Party documents promulgated by either the central or local authorities, including the legislature, government and Party Committee, offer local government opportunities to determine local policies in one way or other. It is impossible to list all the provisions in these documents, given the huge number of them³⁶ and the fact that many of them may not be accessible at all. Nevertheless some categories of them may be discerned in terms of the opportunities they offer for localities.

In the following parts the general legal framework concerning the constitutional status of local government in China will first be discussed, which will be followed by a survey of different types of legal documents to see what opportunities they offer local government. The final section is an overall assessment of the opportunities for local authorities to determine local affairs on the legal scale.

³⁴ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 6.

³⁵ *Ibid.*, p. 6.

3.1 The general legal framework

3.1.1 *Omni-competence*

The status of local government varies in different constitutional systems. In some countries local governments are assumed to be omni-competent, and they are given the statutory right to undertake what they judge is the best for their areas unless it is otherwise specified by law. On the other hand, the *ultra virus* principle in Britain rules that local government must obtain statutory confirmation to undertake each of its services.

Today most constitutional systems assume that an areal government has omni-competence over local administration, but there is restriction in varying degrees attached to it. In France, the communal government may decide on all matters of local interest, but no actions incurring loans or interfering market competition shall be undertaken without explicit state authorization.³⁷ There are fewer conditions attached to the competence of local government in the Scandinavian countries. Sweden, for example, has a tradition of limiting omni-competence only by specifying that the “ ‘local interest’ activities should be consistent with ‘good order and economy’.”³⁸

As in all the unitary states, local government³⁹ in China is subordinate to the central government, and all the authorities of local government are derived ultimately from Beijing. According to the Constitution and *Organic Law for Local Government and Local People’s Congress* (Local Organic Law hereafter), local government in China

³⁶ Page has noted that this will be a long, tedious, and possibly fruitless exercise. See Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 14.

³⁷ *Code Municipal*, Chapter 3, cited in *ibid.*, p. 23.

³⁸ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, pp. 38-9.

is assumed to have omni-competence: the local people's congress is entitled to make decisions concerning local political, economic, cultural, educational affairs, etc.,⁴⁰ and a local government at or above the county level has the responsibility of administering local affairs according to law.⁴¹ In addition, provincial-level people's congress may enact laws that are not in conflict with the national laws and administrative regulations to be applied within the jurisdiction.⁴²

3.1.2 *Dual subordination*

However, the omni-competence of local government is subject to strict central control. The foremost function of the local people's congress at or above the county level is to guarantee that the Constitution, laws, policies, regulations, orders, and decisions of the higher level of People's Congresses are followed and implemented,⁴³ and the foremost function of the local government is to carry out the decisions of the People's Congress at the same level and the directives of the government at the higher level.⁴⁴ Also, neither local legislation, decisions, nor policies can be incongruent with national laws or central administrative regulations.

A two-dimension framework to compare different systems of local government developed by Humes IV may reveal the high degree of centralization in the Chinese local government system. The first dimension is the nature of control over local government, which varies from one extreme that based on subordination (intra-organizational) to the other that based on regulation (inter-organizational). The second

³⁹ Here local government in China includes local people's congress (the legislature), local people's government (the executive branch) and the local Party committee. Local government in China may also mean the executive branch only, especially when it is listed beside the Party committee and legislature.

⁴⁰ *Local Organic Law 1982*, Article 7 Paragraph 3; .

⁴¹ *PRC Constitution 1982*, Article 107.

⁴² *Ibid.*, Article 6.

⁴³ *Ibid.*, Article 7 Paragraph 1.

is the extent to which such control is “focused in a single agency or spread among many functional or specialized hierarchies.” The system is considered “areal” if a general ministry/agency for coordinating local affairs has a strong role vis-à-vis functional ministries. On the other hand, the system is termed “functional” if the coordination function lies in functional agencies. A situation in between is that both the general agency and functional agencies assume responsibilities for local affairs, and the system of this kind is termed “dual.”⁴⁵ (Figure 2)

In the terminology of Humes IV, the Chinese local government system is characterized by “dual subordination,” which matches the Chinese term *shuangcong lingdao*.⁴⁶ The feature of this system is that each level of local government and its agencies are accountable to an areal authority – formally local people’s congress, and in reality local people’s government and Party committee – and they are at the same time part of the central hierarchy and wholly subordinate to the respective central authorities. Therefore, each of the provincial agencies is subject to two sets of directives, one vertically through a functional command chain from the ministry in Beijing (*tiao tiao*), and the other horizontally from the provincial people’s government (*kuai kuai*). The dual subordination system contrasts greatly with other systems. The British system offers an extreme example, in which the White Hall controls local government mainly by means of particular legislation, and there is no specific central agency responsible for controlling or coordinating local government affairs.

⁴⁴ *Local Organic Law 1979*, Article 35 Paragraph 1.

⁴⁵ Samuel Humes IV, *Local governance and national power: a worldwide comparison of tradition and change in local government*, New York: Harvester Wheatsheaf, 1991, pp. 4-5.

⁴⁶ *Ibid.*, pp. 9-10.

Figure 2 Classification of local government systems by Humes IV

	Areal (functions of local administration lie largely in a general agency)	Dual	Functional (functions of local administration lie in functional ministries/agencies)
Subordination (intra-organizational)		Dual Subordination (former USSR; China)	
Supervision		Dual Supervision (France)	
Subsidiarization	Areal Subsidiarization (Germany)		
Regulation (inter-organizational)			Functional regulation (United Kingdom)

Source: Samuel Humes IV, *Local governance and national power*, p. 5.

3.1.3 The role of the Party

According to the Chinese Constitution, China is a communist state led by the Party.⁴⁷ Given the complex local government system in China, it is the one party system that provides the integrating mechanism for this complex and potentially difficult arrangement. Mackenzie has noticed for long that, in the Soviet-type countries including China, the state is overridden by the Party, and all major decisions are made within the inner circle of the Party instead of the government.⁴⁸ Once a decision is

⁴⁷ *PRC Constitution*, Introduction.

⁴⁸ W.J.M. Mackenzie, "Local government in parliament." For a brief introduction about how the Party took over the functions of the government in China, see Xie Qingkui et.al. (eds.), *Dangdai Zhongguo Zhengfu (The contemporary government of the People's Republic of China)*, Shenyang: Liaoning Renmin Press, 1991, pp. 44-7.

made, it is carried out through a command train on the basis of the Party's highly centralized structure.⁴⁹

3.2 Legal documents and opportunities

3.2.1 National laws

Since China is a unitary state, all the authorities local government has are granted by the central government. Enacted by the central legislature, national laws often specify functions, authorities, and responsibilities concerning local administration, and may be regarded as a most formal source of power for local government. The Constitution and Local Organic Law define the authorities of central and local governments in general terms, which have been discussed in the preceding session. This session will concentrate on the specific laws (*zhuanmen fa*), such as the Forest Law and Education Law, which are enacted by the National People's Congress (NPC) and its Standing Committee (NPCSC) to govern specific areas or functions.⁵⁰ Most of the provisions in this type of law prescribe some mandatory functions for local government and its agencies, and the corresponding discretion associated with these functions. Nevertheless local executive has to follow the provisions prescribed in the law, which provides very little discretion for local government.

The Education Law (1993), for example, specifies that primary and secondary education is administered by local government under the guidance of the State Council, and the higher education is administered by the State Council and provincial-level

⁴⁹ The democratic centralism in the Party means a high degree of centralism based on democracy. See *The constitution of the Chinese Communist Party (CCP Constitution hereafter)*, Introduction part.

⁵⁰ *PRC Constitution*, Articles 61 and 67.

governments.⁵¹ Local government and education departments must follow these rules specified in the law and other regulations or documents by the State Council or Education Ministry (formerly the State Education Commission). The only explicit provision of local discretion is that whether to collect sub-charge for education or not and its amount may be decided by the provincial-level government.⁵²

Clearly, the discretion for local authorities offered by the specific laws is rather limited, and Guangdong authorities enjoy no privilege in this area. Many national laws have specified that local authorities must follow the regulations and instructions by the higher level of governments, which reveal more details of the central-local arrangement.

3.2.2 *Administrative regulations*

The administrative regulations are considered as law in the broad sense in China. They may be promulgated by the State Council⁵³ and governments of the provinces and some big cities.⁵⁴ These regulations outnumber laws, and reveal more details of government in action. In the period from 1979 through 1991, the State Council promulgated 597 pieces of regulations, while the NPC and NPCSC enacted only 104 laws.⁵⁵ In the legislation for the custom administration, there was only one law promulgated by the national legislature, 14 regulations by the State Council, and 427 administrative rules by the Custom itself.⁵⁶

⁵¹ *PRC Education Law* (enacted by NPCSC in 1995), Article 14.

⁵² *Ibid.*, Article 57.

⁵³ *PRC Constitution*, Articles 89.

⁵⁴ *Local Organic Law* (amended in 1995), Article 60.

⁵⁵ Liu Xingyi, "Zhongyang yu difang de lifa quan huafen (The division of legislative power between the center and localities)," Wei Liqun, et. al. (eds.), *Shichang jingji zhong de zhongyang yu difang jingji guanxi (Central-local economic relations in the market economy)*, Beijing: Zhongguo Jingji Press, 1994, pp. 136-45. The same pattern is broadly followed at the local level.

⁵⁶ *Renmin Ribao*, 9 April 1989. See also Quan Zhiping and Jiang Zuozhong, *Lun difang jingji liyi (On local economic interests)*, Guangzhou: Guangdong Sheng Renmin Press, 1992, pp. 153-9.

Many administrative regulations, particularly those concerning technical matters and those must be highly unified within the nation, such as civil aviation and telecommunication, have specified details of definition and operation. The Regulation of Pig Butchery promulgated by the State Council. It rules that butchering pigs must be done in registered sites (*dingdian tuzaichang*), which must meet seven conditions.⁵⁷ The definition of the product of pigs, which includes body, pork, fat, etc. is impossible to be changed.⁵⁸ For this technical matters, there is almost no room for local government to exert its influence.

Local government has more discretion in the administration of “ordinary” affairs such as education and public security. Because these affairs need to be dealt with in almost every localities throughout the nation, usually the central authorities have promulgated administrative regulations, and possibly national laws, to govern these affairs. There may be local regulations concerning these affairs too because they are also important to the locality. For these affairs, normally the central documents will lay down general principles and measures, which are in turn consolidated and carried out by local government. In the central documents there may be such wordings as “each province, municipality under direct central leadership, and autonomous region may promulgate detailed regulations accordingly,” giving local government a limited degree of discretion. In regard to the road administration in Guangdong, for example, there are at the central level a *PRC Road Law*, and an *Regulation of the Charge and Administration of the Road Maintenance Fee* jointly promulgated by several ministries. Accordingly, Guangdong government promulgated a number of regulations, such as the

⁵⁷ *Regulations concerning the administration of pig butchery* (1997), Articles 2 and 7.

⁵⁸ *Ibid.*, Article 22.

Regulation concerning Road Fee Charge and Management.⁵⁹ In most cases local regulations only supplement the central directives. Nevertheless the central regulations or documents have oftentimes been precise enough for operation, leaving limited room for local discretion. For instance, the *Regulation for the implementation of the PRC land administration law* promulgated by the State Council rules that the penalty for illegal use of land shall not exceed RMB 15 Yuban per square meter.⁶⁰

3.2.3 Government/Party documents

An examination of government documents offers more insights into the functions and discretion of local government. Government documents may be issued by government and its agencies at every level. Some documents are issued jointly by the Party Committee and government, and thus enjoy higher status than those issued by a government agency.

As a source of power, there are no significant differences between government documents and administrative regulations. A circular (*tongzhi*) of the government may in effect change the provisions of regulations or other decisions previously made by the

⁵⁹ *Guangdong sheng gonglu fei zhengshou guanli shishi xize* (Detailed regulations concerning the charge and administration of the road toll of Guangdong), promulgated by the Guangdong Provincial Government, 30 December 1997, Article 1.

⁶⁰ *Zhonghua renmin gongheguo tudi guanli fa shishi tiaoli* (Regulations for the implementation of the PRC land administration law), promulgated by the State Council on 4 January 1991, Article 30. On the other hand, if the implementation of central policies undermines local interests significantly, local authorities may still make room for "adjustment" of the policies in one way or other. After all, central policies depend on local government to carry out. Unless the center is really determined to take whatever serious measures to have its policies observed, there is always some leeway for local government in implementation. For example, the State Council announced in December 1993 a capital gains tax with a maximum rate of 200 percent on real estate markets. However, a Guangzhou official reacted by saying that the application of central laws must take local conditions into consideration, and for the time being no extra tax burden should be loaded on investors. This is a common practice of "playing marginal ball (*ca bian qiu*)" in Guangdong. Simply speaking, while Beijing sets the rules of the game, it is Guangdong to judge whether an action is foul or not unless Beijing intervenes. See Daniel Kwan, "Guangdong adapts central laws to local realities," *South China Morning Post*, 12 February, 1994. See also Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era) for a scale of measures the center may employ to enforce its authorities over local governments.

same government or those under it. For example, the State Council issued a notice in early 1998 to terminate all the direct-selling business in China, regardless that the setting up of this business was approved by the governments throughout the country following appropriate procedures prescribed in the laws and administrative regulations.⁶¹

The scope of activities government documents deal with is very wide. Several documents are essential for understanding the central-Guangdong relations since 1979. At the beginning of the reform, provinces had been used to following central directives closely, without daring to try what was not explicitly mentioned by Beijing. The Central Document [1979] No. 50 showed a green light to provincial initiatives by formally granting the special policies to Guangdong and Fujian. Several documents continued to give more autonomy to Guangdong (Table 2). By 1989 Guangdong had accumulated tremendous autonomy and become well known for its localism.

Table 2 Major Party documents concerning Guangdong

Document code	Date of issuing	Issuing organ	Main contents
Central doc. [1979] no. 50	15 July 1979	CCPCC, State Council	Granted the special policies and flexible measures to Guangdong and Fujian
Central doc. [1980] no. 41	16 May 1980	CCPCC, State Council	Consolidated the special policies and called for cooperation of central ministries
Central doc. [1981] no. 27	19 July 1981	CCPCC, State Council	Consolidated the reform initiative and confirm the role of the SEZ
State Council doc. [1985] no. 46	25 Jan. 1985	State Council	Continued the special policies and flexible measures initiated in 1979; gave more favorable terms to the two provinces
State Council cor. [1988] no. 25	10 Feb. 1988	State Council	Approved "in principle" the demand of authority in ten areas by Guangdong

⁶¹ *People's Daily*, 22 April 1998.

Some documents of Guangdong province exhibit that local authorities may have a high degree of discretion over “pure” local affairs. An example is the migration policy for the construction of reservoirs in Guangdong. The policy originated from a motion of Guangdong Provincial People’s Congress (PPC) in 1992, and will remain effective for at least ten years. By December 1997 the policy has cost RMB 508 million Yuban, and its related projects included 5170 kilometers of road, 2030 bridges, and many others. Such a huge project, however, is almost completely initiated and implemented within Guangdong without signs of interference from Beijing.⁶²

As a whole, except for those “pure” indigenous activities whose influence is completely confined within the province, local authorities have to follow laws and strict central guidance to run local government and handle local affairs without much discretion. As a scholar notes it, if the function of administering public affairs is shared by the central and local governments/agencies (*fenji guanli*), it is on the condition that the centralized leadership (*jizhong lingdao*) is guaranteed.⁶³

Worthy of pointing out, government/Party documents have significant difference from the laws and regulations promulgated by the legislature and government. The government/party documents do not have formal legal status, and many of them are only concerned about discrete matters. While collectively such documents provide an image of the distribution of power between the central and local authorities, individually these documents reflect more political decisions than “legal” practice. Therefore, details of

⁶² For more details, see Guangdong government document [1997] no. 106, “zhuanfa guangdong sheng renmin daibiao dahui changwu weiyuanhui guanyu jixu shishi jiejie shuiku yimin yiliu wenti yi’an de jueyi de tongzhi (A notice of delivering the decision by the Guangdong People’s Congress Standing Committee concerning continuing implementation of the motion of dissolving the remaining problems of reservoir migration,” *Guangdong Zhengbao* (Guangdong government gazette), no. 2 1998, pp. 44-60.

⁶³ Xie Qingkui et.al. (eds.), *Dangdai zhongguo zhengfu* (The contemporary government of the People’s Republic of China), Shenyang: Liaoning Renmin Press, 1991, pp. 375-8.

these individual documents concerning central-Guangdong relations will be discussed in the chapter of political scale.

3.2.4 Local legislation

Local legislation has been becoming an important source of power for local government. According to the Local Organic Law of 1979, provinces, autonomous regions, municipalities directly under the Central Government may enact statutes without conflict with the national laws and administrative regulations to be applied within the jurisdiction.⁶⁴ The Local Organic Law was amended in 1986 to allow that provincial capitals and other big cities approved by the State Council may make local statutes and become effective after the approval by the corresponding provincial people's congresses. The NPCSC also made respective resolutions in 1988, 1992, 1995 and 1996 to grant legislative powers to the five special economic zones (SEZs): Hainan, Shenzhen, Zhuhai, Shantou and Xiamen.⁶⁵ Consequently, the period from 1979 through 1985 recorded a total number of 707 local regulations, the second half of the 1980s 1220,⁶⁶ and there had been some 6,300 pieces of local legislation by the end of June 1998.⁶⁷

The rapid increase in the quantity of local legislation produces significant effects on central-provincial legal arrangement in China. The case study of Guangdong in the next chapter will give more details concerning local legislation and its implications.

⁶⁴ The *Organic Law of Local People's Congresses and Local People's Governments*, enacted by NPC in 1979, Article 6.

⁶⁵ See, for example, *Di qi jie renmin daibiao dahui di e ci huiyi guanyu guowuyuan diqing shen yi shouquan shenzhen shi zhiding shenzhen jingji tequ fagui he guizhang de yi'an de jueyi* (The decision of the second plenum of the seventh Guangdong Provincial People's Congress concerning the motion of empowering Shenzhen municipality to make statutes for the Shenzhen Special Economic Zone).

⁶⁶ Richard Siao and Yuanling Chao, "Editors' introduction," *Chinese law and government*, vol. 27 no. 1, January 1994, pp. 3-9.

⁶⁷ *South China Morning Post*, 24 June 1998.

3.3 Assessing legal localism

The general legal framework and four types of legal documents are analyzed in this chapter to measure the opportunities they offer for local political élites to determine local policies. These legal documents specify the functions of local government and empower local government to carry out such functions with a certain degree of discretion. On the other hand, they also serve as an important means for the center to exercise unified leadership and control over the local government. Together with the characters of omni-competence and dual subordination, these documents reveal that an absolute majority of the functions concerning public services are carried out by local government, and local government has a high degree of discretion in some pure local matters. In this sense the Chinese system is less centralized than the French one, whose prefectoral tradition has ruled that these local matters can hardly be done without priori central approval.⁶⁸

However, the character of dual subordination of the government system has given the central and national interests a supreme position over localities. The examination of government documents also confirms that in most areas of public administration local government has to follow strict central directives. Thus a high degree of centralism is present. Clearly, the discretion of local government in China is less than that in Britain, in which “once the laws have been passed, local authorities can do as they please as long as their actions are within the law, with the only real form of central control consisting of quasi-judicial interpretation of legality through, above all,

⁶⁸ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 39-40. There have recently been some decentralization reforms in France. For more details about the French system of local government, see Alistair Cole, *French politics and society*, London: Prentice Hall, 1998, Chapters 7 and 8.

courts and auditors.”⁶⁹ Considered together, the Chinese local government system is situated in the spectrum between typical legal centralism like France and typical legal localism like Britain, but closer to the French centralist system. This position of local government is similar to that in the Scandinavian countries.⁷⁰

The most remarkable difference between China and these developed countries is the lesser role the Chinese law plays in specifying the distribution of functions and discretion between the center and localities. In most cases national laws only provide general guidance, and give the government at the higher levels substantial power to control local government. Within the executive branch the State Council and ministries are able to exercise a high degree of central control effectively over the provinces, including Guangdong.

⁶⁹ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 36.

⁷⁰ For more details about the Scandinavian countries, see *ibid.*, pp. 38-9; Samuel Humes IV, *Local governance and national power: a worldwide comparison of tradition and change in local government*, New York: Harvester Wheatsheaf, 1991, pp. 3-10.

Chapter 4 Legal assessment II: Guangdong

After reviewing major characteristics of the legal arrangement of central-local relations in China, this chapter focuses on Guangdong province to investigate whether or not these opportunities available for the provincial élites to shape local policies change over time on the legal scale. Constitutionally Guangdong is no different from other provinces in terms of its relationship with Beijing, and national laws and central administrative regulations are applied in Guangdong in the same way as they are in other provinces. Such laws and regulations do not provide many opportunities for the province to determine its own affairs, and the central-Guangdong relationship is characterized by legal centralism. As these conditions did not have significant changes in the past two decades, this chapter will focus on local legislation in Guangdong, and regards local legislation as a major indicator of change on the legal scale.

When the “special policies, flexible measures” were granted to Guangdong and Fujian in 1979, it was explicitly stated and well understood that the special policies included speeding up local legislation and enhancing its role. Guangdong has been keen to enact local laws since the legislative power was granted to the provincial-level people’s congresses in 1979. By the end of 1997 Guangdong PPC has promulgated and amended 248 local laws, and 93 of them were initiated locally.⁷¹ The development of local legislation, however, was not straight forward. Nor were local regulations so simple that they were always compliant to national laws and central regulations. In

⁷¹ *Guangdong sheng lifa gongzuo huiyi wenjian (yi)* (Document of legislative work meeting of Guangdong province No. 1), pp. 1-3. The 248 laws include those passed for big cities like Guangzhou, Shenzhen, Zhuhai and Shantou, and some of them have been revised or annulled. This number does not include the local laws enacted by Shenzhen, Zhuhai and Shantou after they were granted legislative power.

some cases their effects were wide spread in the nation instead of being limited to the region. A brief examination of the legislation suggests that a three-stage development course of the legislative activities: 1) 1978 -1988; 2) 1989 - 1990; 3) 1991 - now.

4.1 building up a legal framework: 1979 – 1988

In the very beginning of the reform, several Central Documents provided Guangdong, as well as Fujian, with a set of “special policies, flexible measures.” These documents covered notably the fiscal contract system, the establishment of SEZs in Shenzhen, Zhuhai, Shantou, Xiamen, and the decentralization of authorities in such aspects as foreign trade, resource allocation, and price management.⁷² In 1981, the NPCSC empowered the people’s congresses and their standing committees of Guangdong and Fujian to make laws concerning the SEZs in their provinces.⁷³ Yet these general policies had to be further specified and translated into what was economically operable.

Since the PPCs had never made laws before, the first task of Guangdong PPC was to set up the working institution for local legislation. The Legal System Committee (*fazhi weiyuanhui*) was first set up within Guangdong PPCSC in 1980, followed by five other committees responsible for law, financial and economy, etc. By 1984 the legislative institutions in the PPC had been well functioning, and 21 local laws had been promulgated, among which eight pieces were concerned with the economy. The PPCSC

⁷² For more details, see section 6.

⁷³ NPCSC, “Resolution of the NPCSC concerning the authorization of the people’s congresses and their standing committees of Guangdong Province and Fujian Province to make various specific economic regulations for their respective Special Economic Zones,” Shenzhen Municipality Law and Regulations Division (ed.), *Collection of rules and regulations of the Special Economic Zones in Guangdong Province of PRC*, vol. 1, p. 8.

of Guangdong regards the period from 1979 to 1984 as the first phase of legislative development in Guangdong, which was mainly to build up the necessary institutions.⁷⁴

The second phase of the development from October 1984 to the end of 1986 saw a major advance in the economic legislation. Seventeen regulations were promulgated in this period, and eleven of them, respectively concerning enterprise/company registration, labor employment, land administration, commodity housing, company involving foreign parties, contracts involving foreign parties, bankruptcy, and so and so, were related to the economy or the SEZs.

As Guangdong was the first in the nation to make such kind of laws, many of them have served as a model for other provinces, the NPC, and the State Council. Indeed, while legislation for other economic zones or provinces was not available, foreign investors often negotiated conditions by referring to those regulations in Shenzhen SEZ. For example, the *Regulation of the Shenzhen SEZ concerning Economic Contracts involving Foreign Parties* promulgated by the Guangdong PPCSC in 1984 filled the void that the People's Republic had lacked a contract legislation regulating international transaction. A journalist has recorded the impacts of the Provision:

Not only has it had an immediate impact on the many negotiations currently underway in the Shenzhen Special Economic Zone, but the legislation has also been invoked 'for reference' by Chinese negotiators in other zones. Chinese lawyers even refer to it when negotiating investments elsewhere in China, claiming that the long-awaited foreign economic contract law will resemble Shenzhen's. Moreover, the 14 Chinese coastal cities that have recently been

⁷⁴ Legal Committee of Guangdong PPCSC, "Guangdong difang lifa shi nian gaikuang (An overview of ten year's legislative work in Guangdong.), *China Law Yearbook*, 1990, pp. 869-3.

authorized to create economic development zones are carefully studying the pros and cons of Shenzhen's legislation, and may adopt it in whole or in part.⁷⁵

What the lawyers had predicted was true. The NPCSC enacted the national *Law of PRC Concerning Economic Contracts involving Foreign Parties* in March 1985, one year after the Shenzhen law, with similar provisions.

The legislative development in Guangdong entered a third phase with the amendment of the Local Organic Law in December 1986.⁷⁶ In this period the institutions and techniques for legislation had been much improved, and various types of laws, including those for legislative procedure, registration of social associations (*shehui tuanti*), and autonomous county (*zizhi xian*), were enacted. Among the 57 laws enacted or amended,⁷⁷ thirteen pieces dealt directly with economic activities involving foreign parties,⁷⁸ and more were to give details in governing the economic activities.

In short, the legislation in Guangdong in this period had established a more and more specific legal framework for the economy of the province and especially the SEZs. In this process the province had not only acquired new functions such as registration of companies involving foreign parties, but also provided a leading role in some legislation by providing models and experiences for other areas and the central government.

⁷⁵ Jerome Alan Cohen, "Shenzhen's New Contract Law: a model for China?" *The China Business Review*, vol. 11, no. 5, September-October 1984, pp. 16-7.

⁷⁶ Legal Committee of Guangdong PPCSC, "Guangdong difang lifa shi nian gaikuang (An overview of ten year's legislative work in Guangdong)."

⁷⁷ Data are calculated from the Guangdong *sheng difang fagui zong mulu* (*A complete list of the local regulations of Guangdong province*) provided by the Guangdong PPC. Unless otherwise specified, all data concerning the number of Guangdong legislation were from or calculated from the same source. Appendix I is the translation of this list.

⁷⁸ Sen Lin, "A new pattern of decentralization in China: the increase of provincial powers in economic legislation." See also Zhou Hua, "Guangdong waishang touzi falu huanjing de xianzhuang yu duice" ("Current conditions and strategies of legal environment concerning foreign investments in Guangdong," *Xueshu yanjiu* (*Academic Research*), 1988, no.1, pp. 37-42,

4.2 Recession: 1989-1990

Increasingly serious corruption, accelerating inflation, growing public discontent, and the intensified power struggle within the central leadership had triggered series of student movements since April 1989. The Communist Party survived its biggest crisis since the history of the People's Republic by using military force on June 4. Gone were the reform minded leaders like Zhao Ziyang. Beijing subsequently adopted a hard-line conservative approach for economic management.

Guangdong saw only six laws enacted in 1989, and again in 1990, the lowest since 1985. No law concerning economy was enacted in 1989. Such finding suggests the lack of strength of local legislation vis-a-vis the central government and other social factors. Despite the fact that law making had become an "increasingly large and important part" of China's policy making, if the legal system had obtained a sufficient degree of autonomy, if the so-called ideology of law had really taken root in China, the legislation should not have come to a stop despite the change of central policies.

4.3 Legislation of interests: 1991 – now

The legislative pace only speeded up since 1991. A new record of seventeen pieces was made in 1992, the year when China's late patriarchal leader Deng Xiaoping toured to the South to call for faster steps in reform in Spring. The reformist policy was further confirmed in October when the CCP Fourteenth Congress adopted the notion that China was building up its socialist "market economy." The beginning of the new era of legislation was marked by the Eighth NPC held in March 1993, in which reform minded

leaders Qiao Shi and Tian Jiyun were respectively elected as chairman and first vice-chairman. Qiao and Tian, having been in the Politburo Standing Committee in charge of judiciary and security work and vice-premier of the State Council respectively, have not only good experience in legislation, but also high political status. They are eager and energetic to promote legislation - economic legislation in particular - and the supervisory function of the people's congress over the government. Qiao Shi even visited Guangdong in April 1993 and expressed his hope that Guangdong might become a "testing field (*shiyan tian*)" of legislative work. Guangdong cadres appeared encouraged by Qiao's visit ⁷⁹ and the pace of legislation sped up. Inspired by these leaders, the corresponding Eighth Guangdong PPC and its standing committee enacted or amended 151 laws in the period from 1993 to 1997, outnumbering all the total of the laws made between 1979 to 1992.

Under such circumstances, the role of Guangdong PPC has become more and more diversified. As local legislation is governing more and more local affairs, the corresponding government departments have to be involved in the legislation process and have their interests articulated. When bills are drafted by the departments concerned, which is often the case, the department may take this advantage and write the bill in its own interest. Therefore, many departments are eager to draft and propose bills which protect and advance their own interest, even though this is beyond their authority (*yuequan lifa*). Another means is that some departments may make regulations that have been made before by other departments (*congfu lifa*). Seemingly it only repeats the legislation, but by doing so the department that makes the new regulation obtains the

⁷⁹ Qiao's visit had been mentioned on many occasions by leaders of Guangdong PPCSC such as Zhu Senlin. See, for example, *Guangdong sheng lifa gongzuo huiyi wenjian (yi)* (Document of legislative

explanatory power of the corresponding legislation, and becomes able to redefine the provisions in these laws.⁸⁰

Local authorities may also take advantage of local legislation in defending provincial interests before central ministries. Unlike the subordination relationship that exists between different levels of the Party or government hierarchy, a people's congress can only guide and supervise the people's congresses at the lower levels (*zhidao guanxi*). In practice, due to the lack of review procedure, the NPC or NPCSC rarely revoke the decision or legislation made by the provincial people's congress, even if the local law conflicts with the national laws.⁸¹

There have been evidences early in the 1980s that local legislation has been involved in protecting local interests against central ministries. For example, Heilongjiang Province had successfully collected a pollution fine from an enterprise run by a central ministry by enforcing the local environmental protection law made by its people's congress.⁸² For Guangdong, this problem has been clearly pointed out by the Chairman of Guangdong PPC incumbent Zhu Senlin that some departments have attempted to legalize their interests by legislation.⁸³ This is most apparently displayed in the feud between the Guangdong PPCSC and Guangdong Provincial State Land Department in 1993.

work meeting of Guangdong province No. 1), 15 April 1998.

⁸⁰ *Guangdong sheng lifa gongzuo huiyi wenjian (yi)* (Document of legislative work meeting of Guangdong province No. 1), 15 April 1998, pp. 16-7.

⁸¹ Cai Dingjian, *Zhongguo renda zhidu (The institution of the people's congress in China)*, Beijing: Shehui Kexue Wenxian Press, 1992, pp. 255-7.

⁸² Chen Hongbo, "Difang xing fagui de xiaoli" (The effect of local law), *Zhengzhi yu falu*, no. 2, 1986, pp. 33-6.

⁸³ *Guangdong sheng lifa gongzuo huiyi wenjian (yi)* (Document of legislative work meeting of Guangdong province No. 1), pp. 16-7.

4.3.1 *The case of the Regulation for Property Registration*

On July 6, 1994, the Guangdong PPCSC passed the *Regulation of Guangdong Province concerning Urban Property Registration*. Accordingly, “when a new house is ready for use, the real estate property owners shall approach the proper authorities taking with him the land-use certificate and other relevant documents to apply for the confirmation and registration of his property rights, to collect a new real estate property rights certificate, and have his land-use certificate canceled; when a new commercial building is ready for use, the developer shall register his property rights with the proper authorities and return his land-use certificate to have it canceled.” (Article 8) Under the new regulation, both the land use rights and property rights are administered by the property management department, and the function of the Provincial State Land Department has been eliminated in effect. The Land Department, however, issued two telegrams a few days after the Regulation was passed to instruct its subordinate departments to ignore the stipulations in the Regulation since they were not “appropriate.”

In the past the government departments could hardly be challenged for doing so. However, when rule of law and the supervision of people’s congresses over government were stressed in propaganda, the story was quite different. The head of the Land Department was summoned to the Guangdong PPCSC meeting and questioned by the deputies. Local radio and television had allocated a long section reporting the meeting and deputies’ opinions, pressing the Land Department to correct its “illegal” activities. The case was further reported in many local and central newspapers and magazines as propaganda to boost the rule of law. Finally the Land Department revoked its

instructions by issuing another document, and made an written apology to the Guangdong PPCSC.⁸⁴ For China, where rule of law has been lacking for long, this case made a clear statement that the people's congresses had already exercised some real power over the government.

This was no end of the story, however. What public attention had missed in this case was the fact that the Land Department did not really do wrong. The Land Department followed the national laws in instructing its subordinate agencies to ignore the Guangdong regulation. According to the "State Land Management Law," land owners shall apply to the "land management department under the government at county level and above for land registration," (Article 4), and whenever the land use rights are changed in such activities as selling, buying or transferring, the parties involved "shall apply to the land management department under the local people's government at the county level and above for registration of the change of land ownership and land-use rights, and will then collect a new land certificate from the local government." (Article 6)⁸⁵ The fact is, Guangdong PPCSC had made a local law incongruent with the central laws.

In fact this was not the first time that Guangdong enacted local laws contradicting national laws. A journalist has noted that "Guangdong, which has been making the pace in China's reform and opening up, has repeatedly taken measures which skillfully circumvent state laws to deal with certain situations and then has the

⁸⁴ See, for example, *Guangzhou Ribao* (*Guangzhou ribao*), various issues in Period from July to September, 1994; see also *Renmin zhi sheng* (*Voice of the people*), July, August, September, and October, 1994.

⁸⁵ *FBIS China Daily Report*, 19 January 1995, pp. 71-3.

measures legalized through local legislation.”⁸⁶ For instance, the *Regulation concerning Land Administration in Shenzhen SEZ* passed by Guangdong PPCSC in 1987 was the first piece in the nation to allow the commercial transaction of land use rights in Shenzhen, but it violated the stipulation in the Constitution that forbade the selling and buying of state-owned land in cities.⁸⁷

Some questions are worthy of investigation in this case. In the first place, why did the Provincial Land Department dare to issue the two telegrams in defiance of the Provincial regulation? According to an interviewee, this was directly related to the departmental interest of the Land Department. Under the new regulation the land use certificate and the property ownership certificate became one, and the Land Department was deprived of the business of issuing the land use certificate after the property was registered. Consequently, the corresponding fee of processing the land use certificate would not come into the coffer of the Department, which led to the Department’s strong opposition to the new regulation.

Why did a local people’s congress dare to make laws that contradict the national laws? A reasonable explanation is that local legislation has become a means to protect local interests. For example, the Shenzhen Land Administration Regulation have played a crucial role in Shenzhen’s real estate development. Also, the Guangdong Property Registration Regulation was aimed to boost the real estate market by simplifying the property registration procedure.⁸⁸ So far such behavior seems to have been tolerated.

⁸⁶ Wang Mannuo, “Property law unexpectedly enacted by Guangdong contradicts central law,” *Lien ho pao*, translated as “Guangdong laws contradict state laws,” in *FBIS-Chi*, 19 January 1995, pp. 71-3.

⁸⁷ Sen Lin, “A new pattern of decentralization in China: the increase of provincial powers in economic legislation,” *China information*, vol. 7, no. 3, Winter 1992-3, pp. 27-38.

⁸⁸ Interviewees 1 and 3 confirmed this speculation. It was also argued that the Guangdong Regulations could not help the real estate market but confuse the property developers and consumers. For this argument, see *FBIS - China*, 19 January 1995, pp. 71-3.

Neither of these “illegal” local laws has been claimed void. When the case about the Guangdong regulation for property registration was reported to the center, the NPC just acquiesced.⁸⁹ In the Shenzhen case, indeed, it was the Constitution that was changed to adapt to local laws.⁹⁰

In short, after several stages of development, local legislation has represented more local interests and obtained a certain degree of autonomy vis-à-vis the central government and the executive branch of the same level. Local legislation may be concerned about implementing details of some national laws or regulations, or be initiated completely locally. In either type local legislation will have to take more local circumstances into consideration and may embody more local interests. Local legislation enjoys higher authority status than local administrative regulations, and cannot be easily revoked by higher level of government or people’s congresses. Political élites in Guangdong have been able to take such advantage to coordinate and organize local interests, and in some cases they effectively redefines the functions and discretion of local governments.

4.4 Development of other provinces: a comparison

Worthy of pointing out, local legislation in some other provinces has also made a big progress since 1993. As a result, Guangdong’s role as a pioneer of legislation has been considerably weakened, if not vanished at all.⁹¹ The special policies to Guangdong are no more “special” as more and more provinces have acquired similar provisions

⁸⁹ Informed by interviewee 3.

⁹⁰ Sen Lin, “A new pattern of decentralization in China: the increase of provincial powers in economic legislation.”

from Beijing after ten years of contention. Many other regions are trying new policies and making new legislation to facilitate their own development zones and new projects. Guangdong has become one among the many to grope its way for development, economically or legally. This can be clearly seen when the legislative work in Guangdong is compared with that in other provinces, particularly Sichuan province.

Apart from the legislative power of the provincial people's congress specified in the Local Organic Law, Guangdong was granted authority to enact laws applied in its SEZs. Interior province, such as Sichuan, did not have this special legislative authority at the beginning of the reform, although it was also encouraged by Beijing to attract foreign investment. Sichuan, therefore, had to follow strict and far less favorable central policies in dealing with foreign investors. The special legislative status in Guangdong had triggered off demands from other provinces for equal treatment, and Beijing was extending the legislative power to some coastal cities to enact laws similar to those in Guangdong. Interior provinces like Sichuan did not obtain the legislative power of the kind in this period, and they were only allowed to promulgate administrative regulations.⁹² The administrative regulations, however, enjoyed lower status than those local laws passed by the provincial people's congress, and they were often unsuccessful presumably because of the lack of experience in dealing with foreign investment.⁹³ In this period, legislation in Guangdong was more advanced than that in Sichuan in either quantity and quality (Table 3).

⁹¹ See, for example, Carl Goldstein, "Legal aid: China develops business law by looking to Guangdong," *Far Eastern Economic Review*, 4 November 1993, pp. 71-72.

⁹² Sen Lin, "A new pattern of decentralization in China: the increase of provincial powers in economic legislation."

Table 3 Number of legislation passed by some provinces

	1979-1989	1992-1993	1994	1995	Total (1992-95)
Guangdong	54	58	29	39	126
Sichuan	51	48	31	59	138
Liaoning	59	39	52	67	158
Shandong	47	34	51	48	133

Sources: 1. *China Law Yearbook*, 1990 and 1996;

2. Editorial committee of China Law Yearbook (ed.), *Zhonghua renmin gongheguo difang xing fagui huibian (A compilation of local legislation in PRC) 1992-1994*, Beijing: Zhongguo Falu Nianjian She, 1995.

While Qiao Shi and Tian Jiyun urged Guangdong to become a “testing field (*shiyan tian*)” of legislative work, other provinces were also encouraged by the leaders’ call. Local legislation sped up not only in Guangdong, but almost in all the provinces. By 1995, Sichuan, as well as Shandong and Liaoning, had overtaken Guangdong in terms of the quantity of the legislation. Indeed the total number of new legislation Guangdong enacted from 1992 to 1995 became the smallest among the four provinces (Table 3). Sichuan Province has also become bold in legislation, and took a leading position in some areas. The *Private Enterprise Regulation of Sichuan Province* enacted in 1994, for example, was the first legislation in the field in China.⁹⁴

As the same as that in Guangdong, local legislation in many provinces has represented more and more local and departmental interests. Many provinces have enacted local laws which are out of the scope of their legislative power (*yue quan lifa*), or repeatedly enact local laws that embody departmental interests (*congfu lifa*).⁹⁵

⁹³ Ibid.

⁹⁴ *China Law Yearbook 1995*, pp. 865-866.

4.5 Major findings

This chapter focuses on local legislation in Guangdong to assess the legal opportunities available for the political élites in the province to shape local policy. It is found that Guangdong has been active in local legislation, and the quantity of local laws increased rapidly in the last two decades. Such a large number of local legislation have specified many new functions and their corresponding discretion for local government, and therefore offered opportunities for local political élites to shape local policies. In other words, local legislation has produced greater legal localism in Guangdong. Such a pattern of change is not limited to Guangdong. The vigorous development of local legislation in other provinces means that greater legal localism may be a national trend.

It is also found that there are many local and departmental interests embodied in local legislation, and sometimes local legislation may even re-define the authorities of local government in the local interests against central directives. Implications of this will be discussed in more detail in Chapter 7.

⁹⁵ Liu Hailiang et. al. (eds.), *Zhongguo difang fazhi jianshe* (*The construction of local legal system in China*), pp. 211-2.

Chapter 5 Political Assessment I: China

Apart from employing the opportunities offered in the formal legal documents, local political élites may shape local policies by influencing national decisions that affect the locality. Such influence of the locality depends upon the degree to which local interest is represented in the center, which is measured against the political scale.⁹⁶ This chapter assesses the central-provincial arrangement against the political scale. The following session will first discuss Page's methodology and its adaptation in the Chinese context. The chapter will then proceed to the conventional approach of measuring political localism, followed by an analysis of the mechanism that ensures central leaders' paying special attention to the provinces. The last section will give an overall assessment of the opportunities available for Chinese local government system on the political scale.

5.1 Page's methodology

According to Page, the political scale has to do with ensuring local interests represented in the center.⁹⁷ A conventional method employed by both Mackenzie and Page is to count the numbers of the members of Parliament (MPs) and cabinet members who have local experience, and calculate their weight (percentage) in the national decision making bodies. Another method is more delicate, which is concerned about "the mechanism which ensures that national politicians pay special attention to the

⁹⁶ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 6.

⁹⁷ *Ibid.*, p. 5.

demands and interests of local government.”⁹⁸ Both of the two methods investigate what Page calls as the direct route of access, in which local demands are advanced directly to the center.⁹⁹

There is also an indirect route for advancing local interests. In Western democracies exist many national groups representing local authorities, such as the Association of District Council in Britain, and the Association des Maires de France, through which local authorities may exert their influence indirectly to the center. For example, on demand of local government officials, an association of mayors may seek to secure a change in legislation that affects local services.¹⁰⁰ In China, despite that there have been some evidences of “collective bargaining” between some provinces and the center,¹⁰¹ the national organizations by local government officials comparable to those in Britain or France have not yet come into being. Indeed, it is questionable whether the interest group in Western sense exists in China, not to say those formed by mayors or provincial governors. Thus, the rest of the Chapter will only discuss the direct route of access.

5.2 The conventional approach

As far as the political scale is concerned, local political élites’ opportunity to shape local policies refers to the influence of local political élites in the national decision making arena. As a general rule, the more local interests are represented in the center,

⁹⁸ Ibid., p. 38.

⁹⁹ Ibid., p. 42.

¹⁰⁰ Ibid.

¹⁰¹ For example, the five provinces in Southwest China (Sichuan, Yunnan, Tibet, Guizhou, Guangxi) had put forward their demands collectively. See Wu Guoguang and Zheng Yongnian, *Lun zhongyang-difang guanxi: zhongguo zhidu zhuanxing zhong de yige zhouxin wenti* (On the central-local relationship: a core problem of institutional transition in China), pp. 38-41.

the more will be the local influence in the center, and therefore the more opportunities local officials will have. To measure the representation of local interest in the center, Mackenzie counts the percentages of MPs who have had local experience in seven unitary states in Europe and makes comparison.¹⁰² So does Page, and he also compares the percentage of those cabinet members who have had worked in the areal offices.¹⁰³ As will be shown later, such a statistical analysis may sometimes be misleading, and especially so when applied in China. However, it is a good starting point for our investigation into the political arrangement in China.

5.2.1 *The National People's Congress*

The NPC in China consists of nearly three thousand people's deputies. While it is impossible to look into their experiences one by one, we can estimate their background according to constituencies. In the Seventh NPC in 1988, for example, 2396 deputies, or 80 percent, out of the total of 2978 were local representatives elected from different provinces, autonomous regions, and municipals directly under the central government (Tables 4).¹⁰⁴ The percentage of local deputies in China, as is shown, was certainly a high one (Table 5). However, this does not mean strong local representation in the national legislature when taking the fact into consideration that the elections are firmly controlled by the Party. As a result, the deputies represent less of localities than the will of the Party, which is a highly centralized organization emphatic on national unity rather than local interest.

¹⁰² W.J.M. Mackenzie, "Local government in parliament."

¹⁰³ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, pp. 57-61.

¹⁰⁴ According to interviewee 3, sometimes deputies elected from a province may not really from the province. The center may assign a people's congresses to elect a few deputies outside that constituency. However, the deputies thus elected are very small in number and may be neglected.

Table 4 The composition of the Seventh NPC, 1988

Constituency	Number of representatives	Percentage
Sichuan	192	6.4
Shandong	167	5.6
Henan	142	4.8
Liaoning	136	4.6
Guangdong	131	4.1
Jiangsu	123	4.1
Heilongjiang	121	3.5
Zhejiang	105	3.5
Hunan	104	3.4
Hubei	102	3.4
Hebei	100	3.2
Anhui	95	3.2
Jilin	82	2.6
Jiangxi	76	2.6
Guizhou	65	2.2
Shanxi	65	2.1
Guangxi	64	2.1
Fujian	62	2.1
Shanxi	60	2.0
Shanghai	59	2.0
Yunnan	59	2.0
Neimenggu	56	1.9
Beijing	49	1.6
Tianjin	43	1.4
Gansu	39	1.3
Xinjiang	38	1.3
Xizang	16	0.5
Qinghai	16	0.5
Ningxia	16	0.5
Taiwan	13	0.4
Central Government	222	7.5
People's Liberation Army	265	8.9
Ethnic minorities	75	2.5
Hong Kong and Macau	20	0.7
Total	2978	98.5

Source: Cai Dingjian, *Zhongguo renda zhidu (The institution of the people's congress in China)*, Beijing: Shehui Kexue Wenxian Press, 1992, p. 133.

5.2.2 The CCP Politburo

The cabinet in Western democracies corresponds most closely to the CCP Politburo in China.¹⁰⁵ Name lists of the Politburo and its members' background are available in major newspapers in China, and based on this the percentages of Politburo members with local experiences can be calculated. Here local experience is counted only if the members had occupied the leading posts, that is, the Party secretary or governor, of either the provinces, autonomous regions, or municipalities directly under the central government after 1949. This is a stricter criterion for local experience than that applied in Page's study, nevertheless it is still found that proportionally more leaders in the national decision making core had local experience than in those western democracies (Tables 5 and 6). Similar results are found for the Politburo Standing Committee.

Table 5 Percentage of national politicians having local government background

	Percentage of national politicians having local government background	
	MPs (1980s)	Cabinet (1987)
Britain	35	14
France	75	53
Italy	48	20
Sweden	80	N/A
Norway	85	50
Spain	19	29
Denmark	44	26
China	80	59*

* The cabinet refers to the Politburo in China. The calculation method is available at the latter part.

Sources: 1. Edward C. Page, *Localism and centralism in Europe*, p.59.

2. Cai Dingjian, *Zhongguo renda zhidu (The institution of the people's congress in China)*, Beijing: Shehui Kexue Wenxian Press, 1992, p. 133.

3. *Renmin ribao*, of various dates in the specified months.

¹⁰⁵ For details about the Politburo, see Pu Xinzu et.al. (eds.) *Dangdai zhongguo zhengzhi zhidu (The political institutions of contemporary China)*, Shanghai: Shanghai Renmin Press, 1989, pp. 462-9.

Another feature of the Chinese system is that there were always a few Politburo members who concurrently held positions as provincial leaders (Table 6). This only happens in France among the seven countries Page studies, which is called the *cumul des mandats*, or the *cumul* principle. The presence of this practice means the existence of ample opportunities for these local leaders to influence national decisions in the interests of localities.¹⁰⁶ It is also interesting to know whether the proportion of the Politburo

Table 6 Politburo members with local experiences, 1977-97

	Total no. of the Politburo members	Members with local experience		Members with concurrent local positions	
		Number	%	Number	%
Aug. 1977	23	14	61	5	22
Dec. 1978	27	15	56	5	19
Sep. 1979	29	17	59	5	17
Feb. 1980	25	15	60	4	16
Sep. 1982	25	16	64	1	4
Sep. 1985	20	11	55	1	5
Oct. 1987	17	10	59	4	24
Jun. 1989	15	8	53	4	27
Oct. 1992	20	10	50	5	25
Nov. 1997	22	13	59	5	23

Source: Counted from the data on *Renmin ribao* of various dates in the specified months.

members with local experiences changed over time since the reform was introduced in 1978. Table 6 shows that while the percentage of leaders with local experience was quite stable in more than two decades, the proportion of those with concurrent local positions had been fluctuating and peaked at two periods, in 1977 and 1989 respectively. Both periods were most unstable politically. It seems reasonable that whenever Beijing

¹⁰⁶ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 60.

is undergoing difficulties or severe power struggles, the center tends to co-opt more provincial leaders into its core decision-making arena.

5.3 The mechanism of maintaining local representation

The statistics in the conventional method does tell something, but the figures may also be misleading. The contrast between the high proportion of local deputies and the ineffective representation of local interest in the NPC serves as an example in point. There is neither guarantee that those in the cabinets with local experiences will speak for the localities, for it is not known whether they identify themselves as national figures or local representatives after entering the national decision-making arena. However, either local representatives in the Parliament or cabinet members with local experience do provide some mechanism which enables national politicians to listen to the local voices.¹⁰⁷ Indeed a more important question is like this: is there any incentive for the national politicians to pay special attention to the demands and interests of the localities? What kind of local interests does the center care?

5.3.1 Patron-clientelism in Italy

The Italian system offers a good illustration about why national politicians are interested in local affairs. In Italy a multi-party and proportional electorate system is in practice, and whether or not a party candidate can get elected to the national chamber depends heavily upon local notables, especially the *grandi-elettori*, who greatly influence the vote by recommending appropriate candidates to the electorate. Consequently, the party has to provide benefits for the *grandi-elettori* to exchange their support. In addition, parties in Italy have formed a tradition of relying on government

employment to reward party supporters from the public coffer. The national parties, therefore, have to be concerned about local government so as to offer jobs for party workers and supporters. In so doing, national politicians have to listen to the local political élites, who may therefore exert their influence in the national political arena. Clearly, this is a mark of political localism. In contrast, such a patron-clientelist mechanism is largely absent in Britain and the Scandinavian countries.¹⁰⁸

5.3.2 *Reciprocal accountability and particularism in China*

Unlike those European countries, China does not have real electorate and democratic party systems. The number one person in the province – the secretary of the provincial communist party (*shengwei shuji*), is largely appointed by the Party Center. Similarly, although formally the governor of the province is elected by the provincial people's congress, the whole election process is in effect maneuvered by the Party. The election for people's deputies to the NPC follows similar pattern.

Clearly, provincial leaders in China embody central and Party will.¹⁰⁹ But why does the center have interest in controlling provincial leaders and local policies, even if they neither threaten the position of the center, nor undermine the integration of the nation? Reasons for this are multiple. One is the tradition of centralism to which the Chinese people just have got used to: historically all the officials were appointed by the emperor, and a lot of affairs could not be done without priori approval from the

¹⁰⁷ Ibid., p. 61.

¹⁰⁸ Ibid., pp. 62-5.

¹⁰⁹ David S.G. Goodman, *Center and provinces in the People's Republic of China*, Cambridge: Cambridge University Press, 1986, p. 76; Jerry F. Hough, *The Soviet prefects: the local party organs in industrial decision-making*, Cambridge, Massachusetts: Harvard University Press, 1969, p. 406; Victor C. Falkenheim, "Continuing central predominance," *Problem of communism*, vol. 21, no. 4, July-August 1972, pp. 75-83.

center.¹¹⁰ The center may just think it is right to be concerned with and control local affairs.

A more reasonable explanation is related to the authority structure of the regime. In the People's Republic, the Chinese regime is no less authoritarian than those in the history, and one may even say it is totalitarianism. However, the authority in China today has become increasingly fragmented. The vertical fragmentation results from rounds of decentralization since Mao's period that aimed to devolve authorities of the State Council and central ministries to the lower levels lest the provincial and local initiatives be "stifled."¹¹¹ This has led Lampton and Lieberthal to characterize Chinese politics by the model of "fragmented authoritarianism."¹¹²

The authority is not only fragmented vertically, but also horizontally. This is manifest in the constant power struggle within the central leadership. Shirk argues, for example, the proximate cause of the 1978 reform was the succession contest between Deng Xiaoping and Hua Guofeng, and "the very origins of Chinese economic reform bore the mark of political competition among ambitious politicians."¹¹³ No sooner had Deng secured his position than a discord about the direction of the reform within the central leadership occurred. The decentralist and open-door policy adopted by the

¹¹⁰ For authorities of the central and regional governments in different dynasties, see Yang Hongnian and Ouyang Xin, *Zhongguo zhengzhi shi (Chinese history of political institution)*, Hefei: Anhui Jiaoyu Press, 1988.

¹¹¹ For details, see Franz Schumann, *Ideology and organization in communist China*, Berkeley: University of California Press, 1969; Victor Falkenheim, "Decentralization and control in Chinese local administration," Daniel Nelson (ed.), *Local politics in communist countries*, Lexington: University Press of Kentucky, 1980, pp. 191-210.

¹¹² Kenneth G. Lieberthal, "Introduction: the 'fragmented authoritarianism' model and its limitations," Kenneth G. Lieberthal and David M. Lampton, (eds.), *Bureaucracy, politics, and decision making in post-Mao China*, Berkeley: University of California Press, 1992, pp. 1-30. □

¹¹³ Susan L. Shirk, *The political logic of economic reform in China*, Berkeley: University of California Press, 1993, p.

radical group of leaders headed by Deng had been constantly contested by another group of dogmatic socialist leaders who favored central planning.

To secure their positions, central leaders had to raise provincial supports by granting favorable policies to individual provinces, which Shirk calls as “playing to the provinces.”¹¹⁴ If the vertical fragmentation of authority has already given provinces ample opportunities to bargain with the center, the “playing to the provinces” further complicates the central-provincial relations. Lampton even argues that it is best to view the Chinese regime as a “bargaining system.”¹¹⁵ Thus, some provincial leaders, especially those with Politburo membership, obtain great bargaining power and dare to demand a lot because they know the center will have to offer benefits to their regions in exchange for their support. This is indeed a kind of patron-clientelism as in the Italian case, although it is within a smaller and more elitist leader group.

5.4 Assessing political localism

This chapter attempts to give a picture of the political arrangement of the central-provincial relations. The statistics show that a lot of the members of the NPC and CCP Politburo have had local experiences, and there are also a proportion of Politburo members who concurrently hold provincial leadership. This suggests that the integration of the center and provinces in China is high. A more important indicator of political localism is the “degree of emphasis upon national politicians maintaining local

¹¹⁴ Ibid., Chapters 1 and

¹¹⁵ David M. Lampton, “Chinese politics: the bargaining treadmill,” *Issues and studies*, vol. 23 no. 3, March 1987), pp. 11-

support.”¹¹⁶ Our study confirms the existence of such mechanism in China, based on reciprocal accountability in the central policy-making arena in Beijing. Therefore, substantial opportunities are available for local political élites to influence Beijing when important decisions concerning the localities are made. In other words, China may be classified as the country of political localism, along with such countries as France, Italy, and Spain.

¹¹⁶ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 66.

Chapter 6 Political Assessment II: Guangdong

This chapter investigates the change of political opportunities available for Guangdong since 1978. The preceding chapter has suggested that whether a local official may influence the national decision makers or not depends not only on the degree to which local interest is represented at the center, but also on the interest of the national decision makers in paying special attention to the locality. The latter, which is often associated with patron-clientelism and particularism, becomes especially important in China, where a system of local interest representation is largely absent. As is mentioned in Chapter 2, Guangdong, from its rise with central support to the loss of its privileges, had undergone a “political cycle” in terms of central patronage within two decades. How did this change come about? How did the province respond to such changes? What was this change meant in terms of the opportunities for Guangdong political élites? This chapter will answer these questions. For convenience, the central-Guangdong relations will be divided into three phases for discussion.

6.1 1979-1984: harmonious central-Guangdong relations

The first phase of central-Guangdong relations we investigate marked the initiation of the reform and its beginning stage, broadly from 1978 to 1985. Formally Guangdong got its “special policies, flexible measures” only when the Central Document No. 50 was issued in July 1979, but the process leading to the issue of the document may date back to 1978.

6.1.1 Preparation of the special policies

Since the end of the Cultural Revolution in 1976, central leaders had focused on a goal for which generations of Chinese people had fought: enriching the nation. Although there had been different thoughts about how to achieve the goal at the very beginning,¹¹⁷ national leaders inclined to loosen central control over localities by delegating more power to them.¹¹⁸ Guangdong was the biggest beneficiary in this period of decentralization. The initiation of the reform is usually attributed to the reformist group headed by Deng Xiaoping, but even Hua Guofeng, then the Party Chairman incumbent, was not resistant to this new policy.¹¹⁹ Thus, as early as in August 1978, Guangdong had begun importing and utilizing foreign capital.¹²⁰

It has been reported that before the Third Plenum of the Eleventh Party Congress in December 1978 key officials in Guangdong and Beijing had been given hints about the new policy.¹²¹ This shall be in the “central work meeting (*zhongyang gongzuo huiyi*)” preceding the Plenum, in which, according to the Guangdong source, Xi Zhongxun, then Guangdong Party secretary, a former vice premier and heavy-weight central figure, demanded the center to delegate some authorities to Guangdong.¹²²

¹¹⁷ For a brief description of the three groups respectively headed by Hua Guofeng, Chen Yun and Deng Xiaoping, see Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, Cambridge, Massachusetts: Harvard University Press, 1989, pp., 76-8.

¹¹⁸ Ibid.

¹¹⁹ Hua gave a speech to the Guangdong delegates in the Fifth NPC meeting on 23 June 1979, and mentioned that the special policies would get central approval. See Wu Kangmin, *Renda Huiyilu (A memoir of the people's congress)*, Hong Kong: Ming Pao Press, 1990, p. 42.

¹²⁰ *Zhonggong guangdong shengwei guanyu fahui guangdong youyue tiaojian, kuoda duiwai maoyi, jiakuai jingji fazhan de baogao (The report of the Communist Party Guangdong Provincial Committee on giving full play to favorable conditions, expanding foreign trade, and accelerating economic development)*, Guangdong: Provincial Party Committee, 1979.

¹²¹ Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, p. 84.

¹²² Editorial Committee, *Dangdai zhongguo de guangdong (Contemporary Guangdong in China)*, Beijing: Dangdai Zhongguo Press, 1991, p. 145. See also Xi Zhongxun, “Zongjie jingyan, jixu qianjin (Sum up the experiences, and move on),” Xi Zhongxun, *Xi Zhongxun wenxuan (A collective of Xi Zhongxun's works)*, Beijing: Zhongyang Wenxian Press, 1995, pp. 480-4.

The later story has been well recorded. Xi, together with Wang Quanguo, another high official in Guangdong, strongly argued for more autonomy – including a set of special policies and the setting up of “special export zones (*chuko tequ*)”¹²³ – for Guangdong in the central work meeting in April 1979,¹²⁴ and got central approval.¹²⁵ A task force headed by then vice-premier Gu Mu was subsequently sent to Guangdong in May. The financial contract arrangement between Beijing and Guangdong, the most important provision of the special policies, was announced by Gu Mu.¹²⁶ Then came the *Report of the Communist Party Guangdong Provincial Committee on giving full play to favorable conditions, expanding foreign trade, and accelerating economic development*. The report was approved by the center, with the issuing of the well-known Central Document (1979) No. 50, which granted Guangdong a set of “special policies and flexible measures” (hereafter the “special policies”).

6.1.2 Contents of the special policies

The first and foremost component of the special policies was a fiscal contract arrangement under which the province transferred a fixed amount of financial income

¹²³ The special export zone was renamed as special economic zones when Gu Mu held a work meeting of Guangdong and Fujian in Guangzhou in March 1980, before they were officially set up on August 26, 1980. This meant the Chinese leaders wanted them to perform more functions than export processing zones did. For more details, see Li Meiqing, “Ren Zhongyi furen nanyue qianhou (Before and after Ren Zhongyi came and headed guangdong),” *Dangdai guangdong (Contemporary Guangdong)*, no. 1, 1995, pp. 7-11; Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, pp. 125-9.

¹²⁴ Xi had said that if Guangdong had been an independent nation, its economy would have been much better. Xi also took opportunity to report directly to central leaders, and might even suggest the American model for central-Guangdong relations. See Liu Tianfu, “Guangdong shixing teshu zhengce he linghuo cuoshi de huigu,” *Dangdai guangdong (Contemporary Guangdong)*, no. 1, 1995, pp. 18-41; Xi Zhongxun, “Zongjie jingyan, jixu qianjin (sum up the experiences, and move on)” Xi Zhongxun, *Xi Zhongxun wenxuan (A collective of Xi Zhongxun’s works)*, Beijing: Zhongyang Wenxian Press, 1995, pp. 480-4; and Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, p. 85.

¹²⁵ The request was approved by Ye Jianying and Deng. See Sui Guangjun, *Guangdong chuyi zhuanzhedian: guangdong kua shiji fazhan yanjiu (Guangdong on turning point: a study of cross-century development in Guangdong)*, Guangzhou: Guangdong Renmin Press, 1997, pp. 28-9. The provision was also written in the State Council Correspondence [1979] 202, in Zhonggong Guangdong Shengwei Bangongting (ed.), *Zhongyang dui guangdong gongzuo zhishi huibian: 1979-1982 (ZDGGZH, A compilation of central directives on Guangdong’s work: 1979-1982)*, pp. 1-8.

(1.2 billion *yuan*) to Beijing. Under such system, Guangdong would reaped all the fruit apart from the fix sum, and therefore became greatly motivated to develop the economy and increased the income. Besides, Guangdong was given greater autonomy in deciding its own socio-economic plan, more authority over foreign trade and foreign investment projects, over the material distribution and commercial system, and over labor and price management.¹²⁷

One year later, the Central Document (1980) No. 41 was promulgated to translate the above provisions into more concrete measures and to obtain cooperation from central ministries. Among other things, the annual remittance to the center was reduced from 1.2 billion yuan to one billion yuan for five years, and Guangdong was entitled to issue bonds and stocks to absorb foreign capital – a power normally exercised only by the central government.

6.1.3 Ren Zhongyi's period

In November 1980 Xi and Yang were called back to Beijing, presumably due to their lack of experience in enlivening the province's economy and failure to meet leaders and people's expectations.¹²⁸ Ren Zhongyi, together with Liang Lingguang, were then sent to Guangdong, conveying important directives and high expectations from top central leaders. Unlike their predecessors, they received an enthusiastic welcome from over five thousand cadres at the first meeting they held one week after their arrival in Guangdong.¹²⁹

¹²⁶ ZDGGZH 1979-82, p. 11.

¹²⁷ Apart from the document itself (available in many sources, for example, ZDGGZH 1979-82, pp. 18-40), a brief English summary was also in Peter T.Y. Cheung, "Relations between the central government and Guangdong," pp. 26-7.

¹²⁸ *Zhengming*, December 1980, pp. 48-9. Translated in *FBIS-China*, 9 December 1980, pp. U3-U5.

¹²⁹ *Ibid.* See also Ren Zhongyi, "Jiefang sixiang, jiaqiang tuanjie, ba guangdong jingji gao shang qu (Emancipate ideas, unite further, and enliven guangdong economy)" (speech given at the meeting of

During his five years' serving as first Party secretary in the province, Ren had masterfully activated the province to achieve economic goals by making full use of the special policies and flexible measures. "If something is not explicitly prohibited, then move ahead," Ren told his associates, and "if something is allowed, then use it to the hilt."¹³⁰ Equally famous was his "three-more" slogan: more open to the outside, more leeway to the inside, more decentralization to the inferior (*dui wai gengjia kaifang; dui nei gengjia fang kuan, dui xia gengjia fang quan*). The slogan was so widely recognized that it was subsequently written into another important Central Document (1981) No. 27.¹³¹

6.1.4 Central criticism and Guangdong's response

In the first five years of reform, the special policies had been constantly attacked by the conservative group of leaders. Almost each year criticism was heard. The first resulted from smuggling and trafficking that involved a number of local leaders, and Beijing launched a full-fledge campaign against the economic crime in January 1982, with Guangdong as a major national target. In a meeting in Beijing, Chen Yun, who never really supported the policy for special economic zones, insisted that the foremost task of the zones was to "sum up its experiences" instead of moving ahead.¹³² To fight smuggling, an urgent notice by the Party center was issued in January 1982, and some

cadres' at or above the level of provincial/municipal bureau), *Dangdai guangdong* (Contemporary Guangdong), no. 1, 1995, pp. 12-17, 42.

¹³⁰ Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, p. 81.

¹³¹ ZDGGZH 1979-82, pp161-79. There are also other stories about Ren, including his speech concerning three circumstances in which flexibility is permitted (in *Nanfang Ribao*, 24 June 1984, translated in *FBIS-China* 27 June 1984, P1-P3), and the three-real slogan: special policy really special, flexible measures really flexible, one step ahead really ahead (*teshu zhengce yao zhen teshu, linghuo cuoshi yao zhen linghuo, xian zou yi bu yao zhen xian zou*). For more details about Ren's deeds in Guangdong, see Li Meiqing, "Ren Zhongyi furen nanyue qianhou (Before and after Ren Zhongyi came and headed guangdong)"; Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, pp. 313-37.

¹³² ZDGGZH 1979-82, pp243-4.

central heavy-weights were sent to Guangdong, as well as some other provinces, to investigate.¹³³ In February Ren alone was summoned by Beijing to “talk about” the smuggling problem. Finally he got Liu Tianfu, then Governor of Guangdong, accompanying, and they defended local leaders and accepted much of the blame from Beijing.¹³⁴

In 1983 a campaign against “bourgeois liberalization” was launched, and its negative impact did not die off till Deng and Zhao toured to Guangdong respectively in 1984.¹³⁵ Again in 1984 the Hainan car scandal led to the imprisonment of some local cadres.¹³⁶ The cyclical change of central policy was manifest. But Guangdong leaders enjoyed good communication with Beijing during this period, and this had helped to release the tension between Beijing and Guangdong. Xi, for example, was reportedly a close associate of Deng, and he became a secretary in the Central Secretariat (*zhongyang shujichu shuji*) after leaving Guangdong.¹³⁷ Ren also had a “strong shoulders” to accept blames for mistakes and defend his subordinates. Probably more important is the fact that the reform policy was initiated and approved by the reformist group in Beijing, and the reformists needed to prove that their policy was correct and effective so as to accumulate their power in the center. Therefore Beijing was not only willing to give more authorities to the Guangdong, but also able to tolerate the mistakes or misconduct of the province in implementing the policy. In this sense the reform policy could not fail, or it would mean the downfall of the reformist group in Beijing.

¹³³ Ibid., pp. 245-6.

¹³⁴ Liu Tianfu, “Guangdong shixing teshu zhengce he linghuo cuoshi de huigu.”

¹³⁵ Peter T.Y. Cheung, “Relations between the central government and Guangdong,” pp. 34-5.

¹³⁶ For details, see Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (*Autonomous behavior of the provincial government: Guangdong Government in the reform and open era*), pp. 84-9.

6.1.5 *The first five years of reform*

In short, during the period headed by Xi and Ren, Guangdong started its special policy and was moving ahead steadily. By the end of 1985, Guangdong's major economic growth rates had been ahead of the nation.¹³⁸ Interestingly enough, the reform and its process was largely initiated and dominated by Beijing. Moreover, two Guangdong leaders, Xi and Ren, and some other figures who pushed the reform forward such as Gu Mu, were in or sent by the reformist group in Beijing. However, this does not mean that Guangdong was completely passive at this initial stage. Evidences appear to show that while the fiscal contract treatment was put forward by the center, the idea of special export zone was first put forward by Guangdong.¹³⁹ Guangdong's proximity to Hong Kong and Macau – not only physically but also culturally – its relatively small share in the national economy, and its liberal tradition earned Guangdong credits when Beijing considered granting the special policies to the province.¹⁴⁰

The above story suggests that this period of central-Guangdong relationship was characterized by good communication between the center and the province and mutual support of the two sides. This is manifest in the fact that Xi and Ren were sent by Beijing and were to carry out important central policy to Guangdong. This does not mean, however, that Xi and Ren only represented central interests in the province. No matter how close the provincial leaders were to the center, once they were in the province, they were expected to assume the role to represent local interest and fight for

¹³⁷ For a while Xi was said to become the General Secretary of CCPCC. *Zheng Ming Jih Pao*, 1 July 1981, p.1; translated in *FBIS-China*, 2 July 1981, W1.

¹³⁸ Peter T.Y. Cheung, "Relations between the central government and Guangdong," p. 34.

¹³⁹ See particularly Gu Mu's talk to the Guangdong leaders in May 1979, ZDGGZH 1979-82, pp. 9-13 and Liu Tianfu, "Guangdong shixing teshu zhengce he linghuo cuoshi de huigu."

¹⁴⁰ Ezra F. Vogel, *One step ahead in China: Guangdong under reform*, pp. 82-3.

it. It is clear that the authority was fragmented vertically, and therefore Xi was able to argue forcefully for more autonomy to Guangdong, and Ren able to give the special policies and flexible measures a full play.

6.2 1985-1988: the climax of Guangdong's autonomy

In July 1985 Ren and Liang left their position, succeeded by Lin Ruo and Ye Xuanping respectively.¹⁴¹ Lin and Ye also enjoyed good communication with Beijing, but, unlike their predecessors, both of them are natives of Guangdong and had substantial local experience. Lin was said very open minded¹⁴² and self-disciplined, and each time he went to Beijing, he would visit Zhao Ziyang as private friend.¹⁴³ Ye also enjoyed good access to the center, due largely to his father, old marshal Ye Jianying.

6.2.1 State Council Document (1985) No. 46

Accompanying Lin and Ye's appointment was the atmosphere of more openness and reform cumulated in the previous years. The SEZ-styled policies were granted to three major river deltas in China, including the Pearl River Delta. In February 1985, the State Council Document (1985) No. 46 was issued to confirm the continuation of the special policies given to Guangdong. Among other things, the fiscal contract was

¹⁴¹ The change had been prepared one year before. Reportedly many people recommended Ye to be the first Party secretary of the province, but it did not get consent from Deng Xiaoping. Thus Lin became the Party secretary. Before this there had been speculation that Ye Xuanping would succeed Xi Zhongxun in 1980.; *South China Morning Post*, 6 September 1980, translated in *FBIS-China*, 8 September 1980, L25.

¹⁴² Tseng Wei, "Lin Ruo may become first secretary of the Guangdong Provincial CCP Committee," *Tseng Ming*, No. 77, 1 August 1984, p. 25, translated in *FBIS-China*, 2 August 1984, W7-W8. Some cadres in Guangdong thought Lin Ruo was very inflexible, however. See Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), pp. 35-6.

extended for another five years to 1989, and the limit of production project within which the province had the discretion to determine was lifted to RMB 200 million and USD 10 million.¹⁴⁴ However, unlike the three documents issued in the first three years of the reform, this document was issued only under the name of the State Council. Reasons behind were not clear, due possibly to the program of separating the Party from the state (*dang zheng fen kai*),¹⁴⁵ or more likely to the difficulties to get overwhelming consensus within the Politburo after rounds of criticism to the special policies.

As usual, criticism by the conservatives came again in late 1985, and Deng had to admit that “the success of Shenzhen has yet to be proved.”¹⁴⁶ The State Council re-imposed restrictions on the import of twenty four kinds of commodities and the reselling of these commodities to other provinces in December 1986. The student demonstrations led to Hu Yaobang’s purge in early 1987 and the promotion of Li Peng and Yao Yilin. This was considered as a blow to the reformist group. Fortunately, Zhao Ziyang succeeded Hu as the Secretary General of the Party, and put forward his “coastal development strategy” in the Thirteenth Party Congress in late 1987. This gave Guangdong even more opportunities, as Zhao had worked in Guangdong for years and had been directly involved in the special policies to the province. This coincided

¹⁴³ Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), p. 36.

¹⁴⁴ ZDGGZH 1983-85, pp. 378-91.

¹⁴⁵ The program was introduced in 1987 during the Thirteenth Party Congress. For an introduction about the separation of the party and state, see Xie Qingkui et.al. (eds.), *Dangdai zhongguo zhengfu* (The contemporary government of the People’s Republic of China), pp. 44-7.

¹⁴⁶ Carol Lee Harmrin, *China and the challenge of the future*, Boulder: Westview, 1990, pp. 171-3. For more details about the criticism, see Lawrence R. Sullivan, “Assault on the reforms: conservative criticism of political and economic liberalization in China, 1985-86,” *China quarterly*, no. 114, June 1988, pp. 198-222.

with a robust increase of foreign investment in Guangdong. Then Guangdong leaders thought that it was the right time to demand for more autonomy.

6.2.2 *State Council Correspondence (1988) No. 25*

Around the period of the Thirteenth Party Congress in November 1987, Lin Ruo mentioned about the wish for more decentralization to Zhao, who appeared quite interested in the idea. Zhao then asked the province to write him a proposal.¹⁴⁷ Subsequently, a proposal was written and submitted to Beijing and with one copy directly to Zhao in the name of Guangdong CCP Committee in January 1988, demanding for more autonomy in economic administration. Zhao gave his imprimatur without delay, and the State Council issued the Correspondence No. 25 on 10 February after a brief review. With the document Guangdong had acquired unrivalled autonomy in its administration in ten areas.

For example, in the monetary area, Guangdong was not only allowed to develop its stock and security markets, issue bonds, but also to establish its own foreign exchange adjustment center. In credit administration, Guangdong would retain all the credit loan and saving above the base line of 1988, and entitled to prove projects of up to USD 30 million that did not involve export quotas and licenses or did not need to be balanced by the state. In price management, the national government was to stop setting mandatory price control target for the province, and Guangdong was to introduce price reform at any time it thought apt. Guangdong would have more say in its economic planning, and the fiscal contract arrangement was ensured with some adjustment.

¹⁴⁷ Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), p. 52. The following was exerted from the same source, which differs from the account by Peter

Besides, many more reform measures were approved in principle, including labor management, enterprises reform, reform of education and science, and the establishment of a civil service system, and so and so.¹⁴⁸

The provisions in the document represented the limit of what Guangdong could obtain from Beijing during the heyday of the radical reformers. Had all the provisions be implemented, Guangdong would had in effect become half-independent, and the central-local relations in China would had been different from what is today. The foreign exchange center in Guangdong, for example, would imply that RMB might have different exchange rates inside the nation.

However, the document was never fully implemented. The direct reason was the runaway inflation and unexpected panic buying in summer 1988, which led to the introduction of economic austerity, and the de facto ascendancy of conservative Li Peng and Yao Yilin over the reformists in economic administration.¹⁴⁹ Besides, unlike the documents before, the Correspondence No. 25 was prepared in a rushing way, lacking in deliberation among different ministries and leaders.¹⁵⁰ According to an interviewee, the document encoded as “correspondence” implies it is tentative and immature for full implementation.¹⁵¹ Therefore, in the political system whose authority was fragmented,

Cheung (“Relations between the central government and Guangdong”), which was based on the materials in ZDGGZH 1986-87.

¹⁴⁸ ZDGGZH 1983-85, pp. 426-41. Brief summary was also available in Peter T.Y. Cheung, “Relations between the central government and Guangdong,” pp. 38-40.

¹⁴⁹ For more details, see Lowell Dittmer, “China in 1988: the continuing dilemma of socialist reform,” *Asian Survey*, vol. XXIX, no. 1, January 1989, pp. 12-28.

¹⁵⁰ Gu Mu had stressed the importance of involving different ministries and units in making decisions concerning the special policies. He said that “because there are many problems, we must exchange get together to exchange ideas, have face-to-face deliberation, which cannot be done if any one unit is absent.” ZDGGZH 1979-82, p. 58.

¹⁵¹ View point of interviewee 6.

ministries were able to put aside some central instructions, just in the same way as Guangdong did to evade some central control.

For our purpose, the State Council Correspondence No. 25 clearly demonstrates the autonomous behavior of the province. Unlike the special policies in 1979, which were first initiated by the center, the authorities Guangdong had secured in this document were largely the fruit cultivated by the province.

6.3 1989-97: defending local autonomy

The students' bloodshed on Tian'anmen Square in 1989 marked the turning point of the central-Guangdong relations. Gone were reformist leaders such as Zhao, replaced by Jiang Zemin from Shanghai. Jiang subsequently secured his status as the core of the third-generation leadership of the People's Republic. The reform and opening were also terminated, replaced by a more severe economic austerity program between late 1988 and 1991. By the end of 1989, however, Beijing had decided to give more favorable policies and full support to Shanghai, which was to become the nation's number-one basis of reform and opening – yet another blow to Guangdong.¹⁵² Under these circumstances a new pattern of central-Guangdong interaction took place.

6.3.1 Economic retrenchment and Guangdong's response

With the austerity program first introduced in late 1988 and becoming more intensive, Beijing re-centralized many functions previously devolved to the provinces.

¹⁵² The decision has triggered an open debate between the journalists from Shanghai and Guangdong that involved many government officials and economists. See Wang Zhigang, "Guangdong he pudong de duihua (A dialogue between Guangdong and Pudong)," Wang Zhigang, *Zouxian shichang jingji de zhongguo: Wang Zhigang shehui qushi duihua lu (China towards market economy: a collection of dialogues about social trends by Wang Zhigang)*, Guangzhou: Guangdong Luyou Press, 1993, pp.129-37. For more details about the opening up of Shanghai, see Yang Zhongmei, *Zhu Rongji zhuan (A biography*

Guangdong was no exception to this.¹⁵³ The province, of course, did not want to see its economy fluctuate with the national one. Thus Ye Xuanping used whatever opportunities to ask the center for special treatments to Guangdong. He openly pled to Beijing to spare the province from the full force of the austerity measures at a press conference during the NPC session in March 1989 (*wang kai yi mian*),¹⁵⁴ and argued in September 1990 that the retrenchment program was not applicable in Guangdong.¹⁵⁵ Lin Ruo also wrote a letter to Jiang, asking for more autonomy to Guangdong.¹⁵⁶ The Provincial Party Committee also prepared a document stating the problems in executing the State Council Correspondence (1988) No. 25, but finally the document was not submitted because the Party committee did not think it was a right time to voice different opinions when Beijing was so determined to impose the retrenchment measures.¹⁵⁷

Worthy of notice, Guangdong leaders began to bargain with the center with the aid of mass media in this period, which had never been used before. Ye's plea at the press conference was an example, and his successor Zhu Senlin also pled Beijing for more favorable policies during the NPC session in 1992.¹⁵⁸ When the special policies

of Zhu Rongji), Tai Pei: China Times Publishing Co., 1998, pp. 119-23; Elizabeth Cheng, "Now it's bund aid," *Far Eastern Economic Review*, vol. 147, no. 11, 15 March 1990, pp. 38-9.

¹⁵³ For example, see Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), p. 53.

¹⁵⁴ Lu Di, "Guangdong ruhe 'wang kai yi men' (How can Guangdong spare itself from central austerity)," *Wide Angle Magazine*, no. 204, September 1989, pp. 22-6.

¹⁵⁵ *South China Morning Post*, 7 June 1991, translated in *FBIS-China*, p. 35.

¹⁵⁶ Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), p. 36.

¹⁵⁷ Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era), p. 54.

¹⁵⁸ *Nanfang ribao*, 25 March 1992.

were attacked, Lin Ruo published some articles in *Qiushi* and *Nanfang Ribao*¹⁵⁹ to defend the reform policy in Guangdong.¹⁶⁰ Even Ren Zhongyi joined this effort and published an article to defend the reform in Guangdong and call for the full implementation of the State Council Correspondence (1988) No. 25.¹⁶¹

Despite all this effort, the plea for favorable treatment from Beijing did not free Guangdong from observing those newly imposed central measures to cool its economy, if the effort was not completely ineffective.¹⁶² To be sure, Guangdong still had some leeway in carrying out central policies.¹⁶³ Nonetheless the message was clear, that Guangdong had lost its effective access to the center as before 1989, and the bargaining power of Guangdong had considerably diminished. This may be further exemplified by the case of introducing the tax sharing system in the early 1990s.

6.3.2 Introduction of tax-sharing system

As is said before, Guangdong took advantages of the special policies, with the fiscal contract system as its core, granted by Beijing and had achieved rapid economic

¹⁵⁹ Lin Ruo, "Several points of understanding on developing the socialist commodity economy," *Nanfang ribao*, 11 March 1991; translated in *FBIS-China*, 20 March 1991, p. 35.

¹⁶⁰ Lin Ruo, "Gaige kaifang yu guangdong jingji de fazhan (Reform and opening and the economic development in Guangdong)," *Qiushi (Seeking truth)*, no. 18, 16 September 1989, pp. 27-32; "Several points of understanding on developing the socialist commodity economy," *Nanfang ribao*, 11 March 1991; translated in *FBIS-China*, 20 March 1991, p. 35.

¹⁶¹ Ren Zhongyi, "Reform, opening up, and taking economic construction as center," *Nanfang ribao*, 12 April 1991; translated in *FBIS-China*, 12 April 1991, pp. 54-5.

¹⁶² Elizabeth Cheng, "Now it's bund aid"; Lu Di, "Guangdong ruhe 'wang kai yi men' (How can Guangdong spare itself from central austerity)"; Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu (Autonomous behavior of the provincial government: Guangdong Government in the reform and open era)*, p. 53.

¹⁶³ From time to time Guangdong just ignored the central call for slowing down and kept its economic growth at a fast speed. Even if what turned out to be in Guangdong was different from the central goal, as long as the difference was not very negative, Beijing would rather not interfere. See Louis do Rosario, "Business as usual: Guangdong resists Peking's efforts to slow growth," *Far Eastern Economic Review*, 8 December 1988, pp. 60-1; Carl Goldstein, "Full speed ahead: Guangdong party congress ignores calls to slow growth," *Far Eastern Economic Review*, 3 June 1993, p. 21 and "Resisting the center," *Far Eastern Economic Review*, 2 September 1993, pp. 42-4; Chris Yeung, "Guangdong's Zhu Senlin on taking economic lead," *South China Morning Post*, 19 March 1994, translated in *FBIS-China*, 19 March 1994, pp. 23-4; "Guangdong vow to keep up the pace," *South China Morning Post*, 9 March 1998.

development. Subsequently, the fiscal contract system and other decentralization measures were applied nation wide with promising result. But problems also surfaced after the practice of decentralization for a decade.¹⁶⁴ A most serious one is the diminishing central revenue and ever-increasing financial deficit.¹⁶⁵ Seeing the problem, Li Peng intended to abolish the financial contract system based on lump-sum transfer in late 1990, but failed as most provincial leaders, including Guangdong's Ye Xuan Ping and Shanghai's Zhu Rongji, did not agree.¹⁶⁶

Three years later, the Third Plenum of the Fourteenth Party Central Committee decided again to change the old financial arrangement, by substituting a new tax-sharing system for the old contract system.¹⁶⁷ Again such change was opposed by most of the provinces,¹⁶⁸ and Guangdong was said to be the one who resisted the new tax program most fiercely. Unwillingly though, Guangdong had no means to spare itself from the implementation of the central decision, and Lin Ruo and Zhu Senlin urged local leaders to be considerate of national interests and implement the tax reform.¹⁶⁹

¹⁶⁴ For a brief introduction, see Dong Fureng, "Jihua jingji yu shichang jingji zhong de zhongyang yu difang guanxi (Central-local relations in the plan and market economies)," Dong Fureng et. al., *Jiquan yu fenquan: zhongyang yu difang guanxi de goujian (Centralization and decentralization: the construction of central-local relations)*, Beijing: Jingji Kexue Press, 1996, pp. 1-11.

¹⁶⁵ Refer to Wang Shaoguang and Hu Angang, *Zhongguo guojia nengli baogao (A report of the state capacity of China)*, Hong Kong: Oxford University Press, 1994.

¹⁶⁶ Yang Zhongmei, *Zhu Rongji zhuan (A biography of Zhu Rongji)*, p. 124.

¹⁶⁷ *Zhonggong zhongyang guanyu jianli shehui zhuyi shichang jingji tizhi ruogan wenti de jue ding (The decision of CCP Central Committee on building up the system of socialist market economy)*, Article 18.

¹⁶⁸ For the whole process of the tax sharing system, see Jae Ho Chung, "Beijing confronting the provinces: the 1994 tax-sharing reform and its implications for central-provincial relations in China," *China information*, vol., IX, nos. 2/3, Winter 1994-95, pp. 1-23.

¹⁶⁹ Xin Xiangyang, *Daguo zhuhou: zhongguo zhongyang yu difang guanxi zhi jie (Dukedom in a big country: the knot of central-local relations in China)*, Beijing: Zhongguo Shehui Press, 1995, p. 573; Chris Yeung, "Guangdong governor voices backing for central tax reforms," *South China Sunday Morning Post*, 13 March 1994, translated in *FBIS-China*, 14 March 1994, pp. 57-8; Yang Zhongmei, *Zhu Rongji zhuan (A biography of Zhu Rongji)*, pp. 179-82.

6.3.3 Resisting “northerners”: the struggle of Guangdong leaders

Since 1989, Guangdong has diverged from central intentions not only in numerous economic policies, but also in personnel arrangements. Beijing had started purging radical reformers soon after Zhao’s downfall,¹⁷⁰ and the attempt to reshuffle Guangdong leaders such as Lin and Ye took place since the fall of 1989.¹⁷¹ A lot of rumors spread, and evidences did show that Beijing had planed to transfer Yuan Mu to the province in early 1990.¹⁷² However, Guangdong effectively resisted the central effort, as Lin and Ye retained their post till 1991. Then they were respectively replaced by Xie Fei and Zhu Senlin, both developing their career in Guangdong. Another potential central take-over was in 1995, when Beijing considered sending Liao Hui, a Guangdong native but with central background, to replace Zhu Senlin.¹⁷³ It turned out that Zhu was succeeded by another Guangdong cadre, Lu Ruihua, in 1996. Besides, Beijing also had the plan of transferring Guangdong Party boss Xie Fei to the NPC as early as in 1995,¹⁷⁴ but the plan did not become realized till 1998.

Why were Guangdong leaders able to secure their posts to be filled by local candidates in this period? To a large degree this was because of the strong consensus among the local cadres that Guangdong should be ruled by Guangdong people,¹⁷⁵ which had made Guangdong officials ready to discontent most of Beijing’s intention to appoint

¹⁷⁰ Lowell Dittmer, “China in 1989: the crisis of incomplete reform,” *Asian Survey*, vol. XXX, no. 1, January 1990, pp. 25-41.

¹⁷¹ See, for example, *South China Morning Post*, 2 September 1989.

¹⁷² *Ming Pao*, 10 January 1990; 10 May 90; respectively translated in *FBIS-China*, 10 January 1990, p. 52 and 11 May 1990, pp.58-9.

¹⁷³ *Lien Ho Pao*, 29 November 1994; translated in *FBIS-China*, 1 December 1994, p. 47; *Sing tao daily*, 13 February 1995.

¹⁷⁴ *Hong Kong Standard*, 15 July 1995.

¹⁷⁵ According to interviewee 2, there had been a wide-spread rumor among Guangdong cadres that Ye Jianying and Deng Xiaoping had reached an oral agreement that Guangdong leaders should be chosen from Guangdong natives.

outsiders to head Guangdong. Before a decision is made about changing provincial leaders, the center will follow a certain procedure to consult the province concerned. For the post of provincial Party secretary, the opinions of the corresponding provincial Party committee will carry heavy weight, and for the post of governor, the opinions of the Party group of the provincial people's congress standing committee will also be counted.¹⁷⁶ When Beijing consulted Guangdong about Yuan Mu's transferal, however, the proposal "has sparked off strong opposition sentiment among the cadres in the province," which Beijing finally followed and appointed Xie as the new Party secretary.¹⁷⁷ Similarly, Beijing approved Guangdong's proposal to appoint Zhu Senlin as successor to Ye.¹⁷⁸ It was clear that Beijing in this period did not intend to impose the full play of its leader transferal measures on Guangdong against most officials' will in the province, which was still economically strong. Besides, it was desirable that Guangdong did not changed too much in the period when Hong Kong was soon to be reverted to China.¹⁷⁹ Xie Fei, for example, remained in his office till 1998.

6.3.4 *The coming of outsiders*

But this period did not last long. It was a shock to Guangdong that, despite its effort of lobbying Beijing hard to "steer clear of northerners," Wang Qishan, a protégé of Premier Zhu Rongji, was transferred to the province as executive-vice governor in January 1998, and Li Changchun, Jiang Zemin's protégé, replaced Xie to be the

¹⁷⁶ CCP, *Dangzheng lingdao ganbu xuanba renyong gongzuo zhanxin tiaoli* (Provisional regulation concerning recruiting leaders and cadres of the Party and government), 1995; the recruiting process before 1995 followed similar procedures.

¹⁷⁷ *Hong Kong Standard*, 31 January 1991, translated in *FBIS-China*, 1 February 1991, p. 68.

¹⁷⁸ *Ming Pao*, 10 May 1991, translated in *FBIS-China*, 10 May 1991, p. 57.

¹⁷⁹ *Sing Tao Daily*, 2 February 1996.

provincial Party secretary in February.¹⁸⁰ Clearly, local political élites failed to persuade Beijing to select a local cadre to head the province. This change has revealed that Guangdong has lost its privilege and preferential treatment in not only economic policies, but also personnel treatment. Although Li Changchun enjoyed good communication with Jiang, it was widely speculated that Li would embody more central control to Guangdong than fighting for the provincial interests in Beijing. It is also possible that Wang may replace Lu Ruihua if the latter fails to satisfy Beijing in administering the province.¹⁸¹

6.4 Major findings

Simply speaking, central-Guangdong political relations may be divided into two phases, that before 1989 and after 1989. In the early phase Guangdong leaders enjoyed easy access to the national decision-making arena, and gained a lot of authorities and favorable treatment which the province needed. In the later period, Guangdong could hardly gain favorable policies from Beijing despite its effort of plea for special treatment. A major cause for this change was the change of central leadership, and the accompanying change of leaders' attitude and treatment to Guangdong. Consequently, central goals and provincial needs had been divergent. In this stage it may be conceived that an antagonistic relationship was developed between Guangdong and Beijing. The autonomy of Guangdong was reduced because the province could hardly get what it wanted without approval from Beijing. As a whole, Guangdong enjoyed less

¹⁸⁰ *South China Morning Post*, 16 September 1997; 8 January 1998; *Hong Kong Standard*, 8 January 1998; *Hong Kong Economic Journal*, 9 January 1998.

¹⁸¹ Opinions of interviewee 2.

opportunities provided by the political arrangement in the later period, and political localism in the province diminished.

Chapter 7 The trend of change: strengths and implications

The preceding chapters have revealed that opportunities for Guangdong political élites to shape local policies have been increasingly provided by the legal arrangement, while the political arrangement offered less such opportunities. In other words, Guangdong has experienced greater legal localism and less political localism. This pattern of change is compatible to the static pattern in the seven countries Page studies, that legal localism is paired with political centralism, or political localism paired with legal centralism. If the number of local legislation is considered as an indicator of legal localism, then legal localism in Guangdong increased most rapidly during the period of the Eighth PPCSC, from 1993 to early 1998. It was during the same period that political localism in Guangdong declined most rapidly.

Why was the increase in legal localism associated with the decrease in political localism? Was this a mere coincidence, or a consequence that had its own course of development? To go one step further, what implications did this change have on the central-local relations in China? This chapter will concentrate on these questions. The first section will investigate the connection between legal localism and political localism in our Guangdong case, followed by a discussion of the implications of the changes on the institutionalization of central-local relations, and then the prospects of the central-local relations in China.

7.1 The connection between legal and political localism

This session discusses the connection between legal and political localism based on three scenarios. The first views that the increase in legal localism resulted directly from the loss of political access to Beijing; the second scenario views that the increase in legal localism and the decrease in political localism were overwhelmingly a coincidence, and the third scenario views that there was partial connection between the changes in political and legal localism.

7.1.1 Scenario I

The first scenario that views the increase in legal localism as a direct consequence of the decrease in political localism is based on the assumption of the new right model that leaders tend to maximize the resources under their control.¹⁸² It is assumed that Guangdong provincial élites tried to maximize their autonomy. In the early 1980s, Guangdong leaders might just ask Beijing for what they needed, and most of time this would be successful. Nevertheless Guangdong has been losing such opportunities since 1989. Alternatively, Guangdong leaders resort to the legal means to achieve the same goal.

This scenario seemed very true when we consider the launch of the project of “ruling the province by law (*yi fa zhi sheng*).” According to one source, the project was suggested by a professor of Zhongshan University in Guangzhou in early 1992, and got approval from Party Secretary Xie Fei in February,¹⁸³ just months after Lin Ruo, Zhao Ziyang’s old associate, stepped down from the position of the Provincial Party

¹⁸² For more details about the model, see William A. Niskanen, *Bureaucracy: servant or master*, London: Institute of Economic Affairs, 1973.

¹⁸³ Zhang Fuqiang, “Gaige kaifang yu guangdong yi fa zhi sheng de shijian (Reform and the practice of ruling the province by law in guangdong),” *Xueshu Yanjiu (Academic research)*, no. 12, 1997, pp. 32-6.

Secretary. The foremost component of the project is to strengthen the legislation concerning the economy, which, as discussed in Chapter 3, may grant substantial autonomy to the provincial government. In China, most of the local laws passed by the provincial legislature are proposed by the government. In 1996, for example, fourteen local laws out of twenty passed by Guangdong PPCSC and applied in the whole province were proposed by the provincial government.¹⁸⁴ With consideration of the close connection between the legislature and government, it is not unreasonable that the leaders of Guangdong deliberately launched the project of ruling the province by law to advance provincial autonomy.

Nevertheless a closer investigation into the process about the launching of the project suggests otherwise. The project of ruling the province by law was not the creation of Guangdong, and the origin of the project may date back to 1986 when Benxi city of Liaoning province launched the project of "ruling the city by law."¹⁸⁵ According to an interviewee, the origin of the project was associated with propaganda and legal education (*pu fa xuanchuan*) organized by the Judicial Ministry (*sifa bu*) in Beijing. More than one hundred places, including Qujiang County and Guangzhou Municipality in Guangdong, had organized similar activities.¹⁸⁶ The proposal of the project by the professor of Zhongshan University was for the purpose of the legality construction. Most importantly, the comments on the proposal by Xie Fei, then Provincial Party Secretary of Guangdong, did not show special interest in the proposal.¹⁸⁷

¹⁸⁴ Ibid. Among the 33 laws passed by Guangdong PPCSC in 1996, 13 were applied in Guangzhou. See also Appendix I for reference.

¹⁸⁵ Liu Hailiang et. al. (eds.), *Zhongguo difang fazhi jianshe (The construction of local legal system in China)*, Beijing: Zhongguo minzhu fazhi Press, 1996, p. 347.

¹⁸⁶ Opinion of interview 3.

¹⁸⁷ Zhang Fuqiang, "Gaige kaifang yu guangdong yi fa zhi sheng de shijian (Reform and the practice of ruling the province by law in guangdong)."

Furthermore, it was the Guangdong PPCSC, and not the Provincial Party Committee or People's Government, that took most effort to push the project. The project was first mentioned formally in May 1993 when Xie Fei reported to the Seventh Party Congress of Guangdong Province, with one general sentence about the political reform touching the project.¹⁸⁸ It was the Guangdong PPCSC that proposed to make Shenzhen as the experimental city for the project of ruling the city by law, and got approved from the Provincial Party Committee.¹⁸⁹ The Party Committee, again, did not show special interest in another document about strengthening the work of ruling the province by law, while the PPCSC has organized several conferences about the project. As an interviewee comments, it is the Guangdong PPC that made the project out of one sentence by Xie Fei.¹⁹⁰

The project of ruling the province by law serves as a critical case in our investigation. If the provincial leaders, that is, the Party Secretary and Governor, had intended to employ legal means to advance their political interests, they should have taken every opportunity available, and should not have missed this project to advance their interest. Our investigation, however, did not show that any such special interest of the provincial leaders had got involved in the project. Therefore, at the least, the increase in legal localism shall not be regarded as merely a consequence of the loss of political opportunities.

¹⁸⁸ The sentence reads: "We must pay good attention to push political reform, build up democratic politics, and implement ruling the province by law."

¹⁸⁹ Zhang Fuqiang, "Gaige kaifang yu guangdong yi fa zhi sheng de shijian (Reform and the practice of ruling the province by law in guangdong)."

¹⁹⁰ Opinion of interviewee 3.

7.1.2 Scenario II

Our second scenario views that legal localism and political localism had their respective courses of development. While the decrease of political localism in Guangdong resulted mainly from the change of central leadership, the development of legal localism rooted in leaders' effort to rebuild the socialist legality and the demand of the market economy.

First, local legislation was associated with the emphasis of socialist democracy and legality. After the disastrous destruction during rounds of political struggles and particularly the Great Proletariat Cultural Revolution, the policy and slogan to "build up socialist democracy and legality" (*jianshe shehui zhuyi minzhu yu fazhi*) was formulated. As Deng has commented:

In this period, we must particularly stress democracy, because democratic centralism had not really been carried out during a long period in the past, with too little democracy, with centralism without democracy....

To guarantee people's democracy, [we] must strengthen the rule of law. [We] must institutionalize and legalize the democratic system, lest this system and the law change as a result of leader changes, or of the changes of leaders' opinions and attention. The present problem is that the law system is very incomprehensive, with many laws still not available¹⁹¹

Indeed, democracy and legality has not only attracted attention from many leaders, but also become a desirable outcome for many Chinese.

Second, the reform and opening up of China required a set of laws as "rules of the game." As early as in the late 1970s, the request for the authority of economic

legislation was written into the report for special policies and flexible measures by the Guangdong Provincial Party Committee, and had been mentioned by Gu Mu on several occasions before the report was drafted.¹⁹² The construction of market economy, which has become an official goal of China, attaches more importance to legislation. In the words of Tian Jiyun, the market economy is an “economy governed by law.”¹⁹³ In addition, strong and just legal institutions are also required to cope with the by-products of the economic reform, such as the decline of social order and serious corruption.

To be sure, there were some connections between political and legal localism. The authority Guangdong obtained to legislate for its SEZs, for example, was a part of the benefit gained in the political arena. Overwhelmingly, however, scenario II tends to view that the increase in legal localism and the decrease in political localism in Guangdong were a coincidence.

A major defect of this scenario is that it cannot satisfactorily explain why there were so many local and departmental interests embodied in local legislation. If the development of local legislation resulted from people's respect to the rule of law and the demand of market economy, then local laws enacted should conform to the rules prescribed by national laws in governing local legislation. However, as is shown above, quite a number of local laws, such as the Shenzhen Land Administration Regulation, did not comply with central laws. Furthermore, many local legislation embodied local and departmental interests that impaired the development of market economy. Therefore, although scenario II suggests some reasons for the rapid increase of local legislation, it

¹⁹¹ Deng Xiaoping, *Deng Xiaoping wenxuan* (A collective of Deng Xiaoping's works), vol. 2, Beijing: Renmin Press, 1994, pp. 144-7.

¹⁹² ZDGGZH 1979-82, p. 9-49.

does not seem true that the decrease in political localism and increase in legal localism were merely coincidence.

7.1.3 Scenario III

Scenario III views that, besides the respective factors for the change of legal and political localism, the development of legal localism has close connection with political localism. The agent of such connection is various interests of the localities, departments and the system of people's congress.

Simultaneous advancement of legal and political localism

Two chapters above have shown that both political and legal localism were ascending in Guangdong during the first phase of the reform by 1989. As soon as the special policies, particularly the financial contract arrangement, were granted to Guangdong, the interest of the province had become prominent. Leaders and people in Guangdong were motivated to generate as much production and income as possible, for they knew they might keep a good part of what they produced. Enjoying good communication with Beijing, Guangdong leaders also dared to demand and bargain intensively with central leaders for more resources for local development. Departmental interests of various government agencies were in the forming stage, and were not prominent vis-à-vis the provincial interest.

At this stage the development of local legislation was closely associated with the whole reform process, and might be regarded as a component of the whole decentralization program decided in the political arena. The legislation power for the SEZs by Guangdong and Fujian PPCs and their standing committees, for example, was

¹⁹³ "Tian Jiyun calls for economy-related legislation," *FBIS Daily Report – China* (FBIS hereafter), 3 January 1995.

particularly granted by the NPCSC in 1981 for the sake of the SEZs.¹⁹⁴ When a new law was made, provincial leaders might claim credit for it and ask Beijing for more support. In short, at this early period, politicians and legislature were reinforcing each other in advancing and protecting local interests.

Departmental interests and local legislation

The reform process was temporarily stopped after the bloodshed of 1989. Central leaders supportive to Guangdong were gone, and economic retrenchment was adopted. The strong central leadership under Jiang Zemin and Zhu Rongji had made Guangdong difficult to obtain more favorable treatment and other resources from Beijing, and Guangdong leaders' bargaining was most of time fruitless. However, after ten years of reform the province's economy and society have become diversified and pluralist, and interests of various agencies have taken root in association with different sectors of the economy and society. As law was playing more important role in state and society, these agencies, especially the government departments, had learned how to use local legislation to express and protect their interests. Many provinces have enacted local laws which are out of the scope of their legislative authority, or repeatedly enact local laws that embody departmental interests.¹⁹⁵ As a result, local legislation has become an arena for government agencies to fight for their interests.

Institutional interest of the legislature

When legislation has become an arena for the fighting of interests, legal and political leaders have to be concerned with controlling the legislation and legislature. If

¹⁹⁴ "Resolution of the NPCSC concerning the authorization of the People's Congresses and their Standing Committees of Guangdong Province and Fujian Province to make various specific economic regulations of their respective SEZs."

the control is successful, the legislature may be of great help when they intend to issue new policies. There are two likely patterns concerning the control of legislation. One option is that the PPCSC has firm control over legislation. Sichuan PPCSC, for example, retains the authority of drafting local laws involving multiple government agencies, and therefore helps to produce a fair bill by reducing the potential conflicts resulting from partial departmental interests.¹⁹⁶

The other pattern is that the executive branch plays a more important part in legislation than the legislature. If a legislation is drafted by government agencies, the coordination procedure designed for making consensus among departments involved is essential. When the government proposes a bill to the legislature, the provincial legal system bureau (*fazhi ju*) will first consult the departments concerned. If any of them disagree, the legal system bureau will explain to the departments or have the draft revised so as to get the consensus within the government itself. As a result, the legislation proposed by the government rarely fails. Occasionally the coordination may encounter difficulty, and the legislature will be of help if the government cooperates well.

The case of the property registration regulation may illustrate this point. When the Legal System Bureau proposed the property registration regulation to Guangdong PPCSC, the coordination was not carried through within the government. The head of the Land Department, Yuan Zheng, was said a strong hand in the government, and did

¹⁹⁵ Liu Hailiang et. al. (eds.), *Zhongguo difang fazhi jianshe* (*The construction of local legal system in China*), pp. 211-2.

¹⁹⁶ *China Law Yearbook 1995*, pp. 865-6.

not give consent to the bill.¹⁹⁷ It is not yet clear whether or not the provincial government put this immature bill forward to the PPCSC deliberately. When the Department issued the two telegrams in open defiance with the newly enacted regulation and the PPCSC appeared incensed and fiercely criticized the Department for its defiance, the provincial leaders appeared very supportive to the legislature.¹⁹⁸ The fact is, the PPCSC did function well in launching the bill into operation, and the legislature had in effect helped the government to finish the difficult coordination task.

The politics concerning the legislature becomes more complex when national politicians intend to build up their power basis by making use of the legislature. For example, evidences have shown that the rapid development of local legislation from 1993 to 1998 was associated with the faction politics in the center. After Qiao Shi and Tian Jiyun headed the Eighth NPC in 1993, the “faction of the people’s congress” (*renda pai*) had been apparent. They eagerly boosted the role of the legislature as a means to challenge the dominant political force with Jiang Zemin as its core. The *Foreign Broadcast Information Service – China Daily Report* had recorded 40 speeches by the two leaders to call for speeding up legislation and upholding the work of the people’s congresses at all levels in the period from March 1993 to June 1996. Such struggle surfaced after Deng’s death in early 1997, and it was reported that Qiao had contested for the position as Deng’s heir.¹⁹⁹ The competition between the two factions

¹⁹⁷ According to interviewee 3, Yuan Zheng had been considered to be promoted as vice-governor of Guangdong before this case happened.

¹⁹⁸ It was the Provincial Government that issued the notice to revoke the telegrams by the Provincial State Land Department, according to interview 3.

¹⁹⁹ *South China Morning Post*, 2 April 1997.

became more intensified around the days when the Fifteenth Party Congress and the Ninth NPC session were held.²⁰⁰

As a result of all the factors discussed above, the people's congress has gained a seat in the power structure among major state and party organs, and legal localism gained its momentum from various kinds of interests, be it local, departmental or personal. These interests took root in the earlier reform process which was determined in the intensive bargaining in the political arena. Therefore, the increase in legal localism might be conceived as an indirect consequence of political localism. The advancement of legal localism, however, did not contribute directly to political localism, since the communication between the provincial leaders and central politicians did not increase, nor became easier, with a larger number of local legislation.

In short, scenario III views that there is a complex relationship between legal and political localism. Under due conditions political and legal localism may positively interact with each other, and under other conditions there may be only one-way, indirect connection between the two. As a whole, this scenario fails to generate a single pattern in regard of the interaction between political and legal localism based on two decades of experience of Guangdong.

7.1.4 Some observations

Before going further, some observations concerning the development of political and legal localism may be made. First, it is clear that there were separate causes for the development of legal localism and political localism. Causes for the former included people's desire for rule of law and the requirement of the market economy, and, for the

²⁰⁰ *South China Morning Post*, 2 July 1997; 20 September 1997; 3 October 1997; 3 December 1997.

later, the specific conditions in Guangdong and central leaders' specific interest in the province.

Second, the interaction between legal and political localism depends on appropriate conditions. In some situation the two types of localism may interact and reinforce each other, while in other situation their connection may be vague. In Guangdong, the development legal localism has shown greater strength than political localism. This was manifest in the fact that when political localism was diminishing in Guangdong after 1989, legal localism was able to rebound from the recession around the 1989 crisis.

Finally, probably a central and common factor behind the two localism is the existence of local and departmental interests. Either the legislature or politicians may be activated for the sake of these interests, but political localism appears more vulnerable as it has to involve central politicians who are outside of the province. Comparatively speaking, legal localism is more stable and able to cater to local needs.

As will be shown in the following sessions, such a development course of legal and political localism will produce significant implications for Guangdong and the central-local relations in China.

7.2 Implications on institutionalization

7.2.1 Definition of institutionalization

Institution is an important concept in social sciences, nevertheless its meaning has been diversified. This study adopts a sociological definition of institution, that is, an organized system of social relationships which embodies certain common values and

procedures and meets certain needs.²⁰¹ Based on this, institutionalization takes place when a regular system of statuses, roles and procedures is developed, and such statuses, roles and procedures are generally accepted in society.²⁰² It can be seen that two essential conditions for institutionalization are 1.) a regular arrangement with a set of clear statuses, roles and procedures, and 2.) the general acceptance of the arrangement.

7.2.2 *The lack of institutionalization in Chinese central-local relations*

Evidences suggest that the central-local relations in China are highly uninstitutionalized. First of all, although the Constitution and the Local Organic Law grant a wide range of authorities to the local government on the principle of omnicompetence, to what extent local affairs can be determined locally is not clear. It can only be inferred that in areas where central directive is absent, local government may exercise a high degree of self-determination. There have been laws that specify some division of power between the central and local governments, nevertheless the specifications are vague, especially when compared with that in the developed countries. As a result, a clear role expected for local government or central government or their agencies is largely absent in law.

Second, the unclear specification of the authorities of local government leaves large room for the executive branch and other actors to finalize. Too many important arrangements concerning central-provincial relations are determined politically. Worst of all, if the legal arrangement does not solve the problem of institutionalization, neither can the political arrangement.

²⁰¹ Paul B. Horton and Chester L. Hunt, *Sociology*, 6th ed., Singapore: McGraw-Hill, 1984, p. 212.

²⁰² *Ibid.*, p. 214.

A decision by the CCPCC and State Council may give a province tremendous power, may take back authorities from the province, or may impose a new tax system which has great impacts on local government. Guangdong, from its pre-1978 status as a neglected province in economy, through the rapid rise of the province not only economically but also politically in the 1980s, to the latest round of northern “takeover” in the late 1990s, has undergone a complete cycle in terms of central patronage in twenty years. While in the earliest period Guangdong enjoyed good communication with Beijing and was able to seek favorable treatments easily, in the later period Guangdong seemed to fail to achieve major positive results in bargaining with Beijing, due largely to the change of central leadership and the subsequent loss of access from Guangdong to the center. Clearly, the political arrangement of central-provincial relations is highly unstable.

Indeed, the division of power between the center and locality, on the political scale, is based on intense bargaining of the two sides, which can hardly be stabilized. Such division of power, in addition, has no identical pattern, and varies from province to province. Leaders from rich coastal provinces such as Shandong and Shanghai may often secure their seats in the Politburo, enjoying more ready access to the center.²⁰³ Those leaders in the interior provinces may have little say in the decisional core. Worst of all, even if the access is available, the bargaining is successful, and the central

²⁰³ Party secretaries from Beijing, Tianjin, Shandong, Shanghai, Guangdong often occupy a position in the Politburo. In the 1987 Politburo, such members included Jiang Zemin (Shanghai), Li Ruihuan (Tianjin), Li Ximing (Beijing), and Yang Rudai (Sichuan); in 1992, Wu Bangguo (Shanghai), Chen Xitong (Beijing), Jiang Chunyun (Shandong), Xie Fei (Guangdong), and Tan Shaowen (Fujian); in 1997, Li Changchun (Henan and later Guangdong), Wu Guanzheng (Tianjin), Jia Qinglin (Beijing), Huang Ju (Shanghai), and Xie Fei (Guangdong). For sources, see Table 6.

documents are issued, central ministries and provincial authorities may just simply ignore these central documents or instructions.

When a set of clear and stable status and procedure in the central-local relations is absent, the arrangement is hardly accepted by the public. The popular saying of *yi shou jiu si, yi fang jiu luan* (once the economy was centralized, the economy became lifeless; once decentralized, the economy became uncontrollable) expressed dissatisfaction among the public.

7.2.3 Institutionalization and Guangdong

Nevertheless evidences have shown that Guangdong has been escaping this highly uninstitutionalized pattern. If the new authorities and special policies of Guangdong before 1989 were mainly the result of the bargaining between Guangdong and central leaders, then after 1989 such authorities came mainly with the rise of legal localism. Many functions and discretion of the provincial government have been prescribed by laws, especially by local legislation that has increased substantially in quantity. For the reasons that the promulgation and revocation of law must follow strict legal procedures, that the provisions of law are clear and explicit, and that the enforcement of law is backed by the judicial branch, the autonomy of the province has become institutionalized to a considerable degree.

It is expected that such a trend of change will continue in the foreseeable future. The development of legal localism in Guangdong has shown great strength in the past two decades, and is almost unstoppable even without the backing of political localism.²⁰⁴ People's desire for rule of law, the development of market economy, and the emergence

²⁰⁴ The only recess in legal localism was the period of the Tian'anmen Crisis, which disturbed the nation in almost every aspect.

of local and departmental interests, all have taken root in state and society, and all demand further development of local legislation and legal localism.

Problems in the current institutionalization process

To be sure, there are still many problems in the current stage of legal development. While local legislation must reflect local interests, excessive parochial and departmental interests may disturb the long term development of the legal system. As to the Guangdong property registration regulation of 1994, lawyers have complaint shall the national law or the provincial law be followed if there is a dispute or suitcase?²⁰⁵ Another potential factor that may affect the development of legislation is the faction politics. If it is Qiao Shi and his protégé who boosted the legislation to a record stage, then what would be after Qiao stepped down? Although concrete evidences are not available, Li Peng, who succeeded Qiao as chairman of the NPCSC, appears not as eager as Qiao to promote the legislation work and the status of the people's congress. His only major speech since his heading the national legislature was to stress "Party ranks above the NPC."²⁰⁶ It is quite likely that this will result in sluggish legislation and a bound legislature which is not able to control its own development course.

The disturbance to the legal system implies that the degree of institutionalization is still limited. Too much politics is involved in the legal practice, and the legislature is still in a weak and dependent position vis-à-vis the Party and government organs.

²⁰⁵ *FBIS-China*, 19 January 1995, pp. 71-3.

²⁰⁶ See *South China Morning Post*, 30 April 1998.

Scholarly comments and suggestions

In view of the existing problems, numerous scholars in Guangdong have contributed their opinions on the development of the legal system. In the running of the tax sharing system, for example, a Guangdong scholar has complained that it is not fair that the division of fiscal power between the central and local governments is regulated by documents of the State Council, which systematically favor the center. It is therefore suggested that the distribution of power between the central and local governments should be defined by the NPC, and local people's congresses should have the authority to decide a part of the local taxation.²⁰⁷

Despite this, many scholars have noticed that the legislation in China has become increasingly specialized and professionalized, and the party control over law making has been loosening.²⁰⁸ Some Guangdong scholars have further called for the establishment of a Provincial Law Center by Guangdong PPC, Provincial Legal System Department (*fazhi ju*), provincial law school, departments of law in universities, and other people of the field so as to improve the quality of law making and law implementation.²⁰⁹ In the transplantation of foreign laws, some Guangdong scholars even argue for a breakthrough

²⁰⁷ Yang Weihua, "Zhongguo fenshuizhi yunxing de chengxiao, wenti yu duice (Achievements, problems, and solutions in running the tax sharing system in China)."

²⁰⁸ Murray Scot Tanner, "The erosion of communist party control over lawmaking in China," *China Quarterly*, no. 138, June 1994, pp. 381-403; Edward J. Epstein, "Law and legitimation in post-Mao China," Pitman B. Potter (ed.), *Domestic law reforms in post-Mao China*, New York: M.E. Sharpe, 1994, pp. 19-54.

²⁰⁹ Wu Shihuan, Yang Jianguang, "Cong shinian lai Guangdong Sheng gaige kaifang de shijian kan zhuyi faxue de xin fazhan (New development of Marxist jurisprudence in the perspective of the practice of Guangdong's reform and opening in the past ten years)," *Zhongshan Daxue Xuebao*, no. 4, 1988, pp. 14-17.

of the socialist law system based on the idea of “one country, two systems,” and finally the Chinese law system shall be converged into the international standard.²¹⁰

7.3 Legal localism: a desirable outcome

For the establishment of a reasonable and firmly institutionalized division of power between the center and provinces, this paper suggests legal localism as a desirable pattern for China’s central-local relationship. The following will first compare major features of legal localism and political localism, and then discuss their implications with the conditions in China.

7.3.1 *Major features of political localism and legal localism*

Leadership style

Based on the well-developed Anglo-French comparative literature, one may conclude that the role of the French mayor is primarily a “policy broker.”²¹¹ Thus, a mayor in France is to negotiate, bargain, or otherwise attract scarce resources such as money and legal power. In Page’s words, “success under political localism is a function of the ability to bring in benefits from the outside.”²¹² Indeed, “political localism involves the manipulation of desired local political resources to extract benefits from national political actors.”²¹³ Under such a system, local officials’ power and legitimacy is based on their access to the institutions higher up, especially the national political

²¹⁰ Jiang Qijiang, “Yiguo liangzhi yu shehui zhuyi shichang jingji fazhi jianshe ruogan wenti de sikao” (Some considerations on one country two system and the legality construction of socialist market economy), *Guangdong shehui kexue*, no. 1, 1997, pp.117-22.

²¹¹ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 71.

²¹² *Ibid.*, p. 70. See also S. Tarrow, *Between center and periphery: grassroots politicians in Italy and France*, New Heaven, Connecticut: Yale University Press, 1977.

²¹³ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 72.

figures. Furthermore, the political resources for these local political leaders are overwhelmingly concentrated in the hands of these individuals.

On the other hand, the key role of brokerage for local political élites is largely absent in the context of legal localism. Local polity with legal localism is marked by well-developed functional specialization, professionalism, and bureaucratization.²¹⁴ The leadership in Britain is collegial in nature, and the involvement of politicians in decision making, of either routine or new policy, takes place in functional committees. The power and legitimacy of British local élites are based on their ability to control and manage organizations structured on hierarchical lines, and on their ability to make use of local resources. To use Page's metaphor, if the mayor in France is to broke, its British counterpart is to "run the business."²¹⁵ Since most decisions are made locally without involving outsider or national political forces, policies of the local government usually reflect more local preferences and innovation.²¹⁶

Professionalism and the bureaucracy

In countries with greater legal localism exist powerful bureaucracies and professional groups. In Britain, local bureaucrats with expertise enjoy high status. Bodies like the Chartered Institute of Public Finance and Accountancy, the Royal Town Planning Institute, and the Institute of Housing grant qualifications to senior officials in their respective areas. Many independent committees or quasi-autonomous non-governmental organizations (QUANGOs), such as the National Health Service, obtain

²¹⁴ Ibid., p. 71.

²¹⁵ Ibid., p. 70.

²¹⁶ See, for example, Robert A. Dahl, "The city in the future of democracy," *American political science review*, vol. 67, 1961, pp. 953-70; J D. Stewart, *Local government: the conditions of local choice*, London: Allen & Unwin, 1983; L.J. Sharpe, "Theories and values of local government," *Political studies*, vol. 18, no. 2, 1970, pp. 153-74.

substantial power from national and local governments, and handle a wide scope of business without government interference.²¹⁷ Indeed many important policies are made within such bodies. Senior employment in local government is offered to professionals such as legal practitioners, who often fill the top management positions of local government, such as the town clerk or chief executive. The national organizations of local government officials are also regularly consulted by the national government on such matters as technical problems, and their working conditions and pay.²¹⁸ Indeed, bureaucrats and professionals are so strong in Britain that even elected political élites have to rely on them for advice in a wide range of affairs.²¹⁹

In contrast, the professional groups and bureaucrats enjoy a far lower status in the countries where legal localism is absent. In France it is the Interior Ministry and the Ministry of Economy and Finances that determine the qualification and pay for local government officials, and have kept communes from creating certain sorts of senior posts that would otherwise attract high fliers into local government employment.²²⁰ In Italy, evidences also show that local government officials have a relatively low degree of professionalization in terms of their expertise and their ability regulate entry to their profession.²²¹

²¹⁷ For more details about the QUANGOs, see John Kingdom, *Government and politics in Britain*, Cambridge: Polity Press, 1991, pp. 441-477.

²¹⁸ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 72.

²¹⁹ There has been constant debate about who actually run Britain, the ministers or the bureaucrats in White Hall. See John Kingdom, *Government and politics in Britain*, pp. 369-75.

²²⁰ F. Dreyfus and F. d'Arcy, *Les institutions politiques et administratives de la France*, Paris: Economica, 1985, p. 349, cited in Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 77.

²²¹ P. F. Furlong, "policy élites and public administration in Italy," paper prepared for the European Consortium for Political Research Joint Sessions, Rimini, 1988, cited in Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 77.

Citizens' participation

The pattern of localism also has implications on political participation by citizens. Not directly proven though, it is expected that higher level of participation exists in countries where there is greater legal localism. This is not only because local government under legal localism usually has wider range of functions, but also because local authorities have more discretion in determining their own affairs without involving authorities outside or at higher levels. Citizen's participation also exists in multiple forms because of the pluralist authority structure within the state under legal localism. Citizens may directly communicate with government bureaucracy and professional groups, in addition to the elected government officials.

Almond and Verba's study about the political culture in five nations provides an indirect proof for higher level of participation in countries under legal localism. Evidences support their thesis that, generally speaking, "the extent to which the local government is open to citizen participation in decisions would be closely related to the extent of local autonomy."²²² While 39 percent of the correspondents in Britain – which represents legal localism – say that "ordinary man should be active in his community," only 10 percent of the correspondents in Italy – which represents political localism – hold the same idea.²²³ Also, 21 percent of the respondents in Britain say that they "have attempted to influence local government," while only 9 percent of the correspondents in Italy say the same.²²⁴

²²² Gabriel A. Almond and Sidney Verba, *The civic culture: political attitudes and democracy in five nations*, Princeton, New Jersey: Princeton University Press, 1963, p. 168.

²²³ Ibid., p. 169.

²²⁴ Calculated from Table 3 in *ibid.*, p. 188.

Table 7 Some characters of the two types of local politics

	Legal localism	Political localism
Role of political leadership	Giving direction to a welfare bureaucracy	Mobilizing political support
Business of the government	Making decisions about priorities from a wide range of functions	Maintaining a traditional range of local services such as culture and public health; developing public works; attracting industry and investment
Individualistic nature of leadership	Collegial leadership	Role of powerful individuals
Political skill emphasized	Good and sound management	Entrepreneurship and skill in negotiation
Benefit distribution	Universalistic distribution of benefits	Particularistic benefits
Local identification	Few appeals to the identification with the locality	Basic local loyalties can be invoked

Source: Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 146.

Regime stability

Apart from the above characters, it is also apparent that political regimes with legal localism tend to be more stable. The main reason for this is that authorities to administer the state and society under legal localism are deconcentrated into hands of many individuals and independent or semi-independent organizations. Thus it is extremely difficult for any individual person or unit to produce uncontrollable courses. Major actions that may produce significant impacts on the state or society have to be deliberated and decided collectively by different people and units, and through this process no actions can be carried through unless they are well accepted by the majority of authorities, which actually make up a polity microcosm. At the same time as

authorities are delegated into different bodies, the regime under legal localism also diffuses the risk of the strong and unexpected hits.

Such stability of the regime is manifest, as in the fact that the kingdom in Britain, originating during the pre-state period when Anglo-Saxons came to the island, has been kept for more than ten centuries since England was united. The United States, a country values “home rule” and presents many characteristics of legal localism, is able to keep its Constitution valid since its independence in the late 18th century. Other countries with less legal localism, such as Scandinavian countries Norway and Sweden, also have quite stable governments. This strongly contrasts with that in countries under political localism. Since the First French Republic was established in 1792, there have been five republics to date, with four already gone. Italy, another country under political localism, is probably the most tumultuous and unstable regime in the world, with more than fifty governments that have come and gone since 1946.

7.3.2 Implications on institutionalization

Legal localism also bears positive implications on institutionalization. As is discussed above, institutionalization requires clear status, role and procedure concerning the actors and their activities in the central-local arrangement, and the general acceptance of such stoups, role and procedure by the public. Based on this one can tell the difference of the degree to which such arrangement is institutionalized.

Arrangements based on legal localism clearly present a more explicit system of opportunities for local political élites to employ. On the other hand, arrangements based on political localism often involve national political actors and intensive bargaining among them, and thus tend to be particularistic and unstable.

A more important indicator of institutionalization is the acceptance of the public. While surveys of public opinions on the practice under different patterns of localism is not available, the degree of acceptance can be roughly estimated based on the comments and opinions expressed in the literature. For example, the idiom “*yi fang jiu luan, yi shou jiu si* (once decentralized, the economy is uncontrollable; once centralized, lifeless)” reflects popular discontent among the Chinese people about the uninstitutionalized central-local relations in China. Such kind of criticism also exists in Western democracies. Banfield and Wilson, for example, dislike the local government based on political localism, and regarded such arrangement is essentially a system of “organized bribery” because the politicians’ legitimacy is based on “specific material inducements” from outside the locality.²²⁵ It is also found that citizens in countries where there is political localism tend to be more individualistic and apathetic to politics. In Almond and Verba’s study, 46 percent of the British respondents reply that they are proud of their governmental and political institution, while only 3 percent of the Italian correspondents hold the same opinion.²²⁶ Similar to that in Italy, citizen’s distrust of the state and its agencies is also apparent in France.²²⁷

In short, it is reasonable to view that legal localism offers more institutionalized basis for the autonomy of local government and central-local relations in the nation.

²²⁵ Edward C. Banfield and James W. Wilson, *City politics*, New Haven, Connecticut: Yale University Press, 1963, p. 125.

²²⁶ Gabriel A. Almond and Sidney Verba, *The civic culture: political attitudes and democracy in five nations*, p. 102.

²²⁷ Roy C. Macridis (eds.), *Modern political systems: Europe*, 5th ed., Englewood Cliffs, New Jersey: Prentice-Hall, 1983, p. 86.

7.3.3 Desirability of legal localism

As the above comparisons reveal, legal localism presents more desirable characteristics suitable for China than political localism. True, there is no objective answer as to which pattern of localism is better or worse. Either legal localism or political localism works well in respective countries, and whether one likes it or not depends on personal preferences and values.

The specific conditions in China, however, suggest preferences that fit the nation. Above all, China is hungry for institutionalization in its central-local relations so that the leaders of both the central and local governments may act according to the clearly-defined authorities. China has experienced centralism too long and too strong, and suffered too much from over-concentration of power on one or a few individuals and on the Party. China has been lacking in professionalism, and the regularity and efficacy of the government bureaucracy is far from satisfactory. China still awaits an active, voluntary, yet positive citizen participation over a wide range of state and community affairs. China needs a stable regime under which its economy and civil society can secure long term development.

It is on this basis that legal localism, with its possible accompanies such as institutionalization, high degree of local autonomy, pluralism, professionalism, and stable regime, becomes a desirable goal for the direction of central-local arrangement in China.

7.3.4 The course towards legal localism

Then, is it likely for China to develop a system of legal localism? The earlier sessions have shown that Guangdong is moving in this direction, as legal localism has

been increasing with great strength. As a whole, as long as China is still building up its market economy and not going back to the command economy as before 1978, the demand for a comprehensive and strict legal system will remain strong, and the local interests will remain present. Under such circumstances, legislation at either the central or provincial level can only keep going forward, slow or fast, and this robust development of legislation will supply positive supports for legal localism.

On the other hand, there are also obstacles in the way towards legal localism. Legal localism implies that the central-local division of power must be governed by law, and, more importantly, the rule of law must be respected and followed. But the record of rule of law in China is extremely poor and unsatisfactory, if it is not completely absent at all. Too often law was substituted for oral dictations of the emperors or high officials. This situation does not change very much even today, as reflected in the popular saying that “*hongtou buru heitou, heitou buru koutou* (law is not as authoritative as government policy, government policy is not as authoritative as leaders’ oral instructions).” A more deep-rooted obstacle is the lack of legal culture for centuries in Chinese leaders and grass-root people. Many of Chinese traditional values contributed to the underdevelopment of elements for a strong and just legal system in China.²²⁸ Today, many national leaders and government departments still make use of law to fight for their own interests. Shall it be rule of law or rule by law?²²⁹ Will people resort to

²²⁸ Qian Hongyou, “Xifang fazhi jingshen he zhongguo fazhi zhi lu (The spirit of the rule of law in the West and the way to rule of law in China),” *Zhongwai faxue* (Peking University law journal), No. 6 1995, pp. 24-9; Gong peixiang, “Zhongguo fazhi xiandaihua mianlin de si da maodun (Four great contradictions confronting the modernization of the legal system in China),” *Tansuo yu zhengmin* (Probe and contend), no. 3, 1995, pp. 3-6.

²²⁹ This is a theme in the discussion of the meaning of “ruling the state by law.” Rule of law puts law into a higher status than rule by law, which regards law as a means to an end. See, Zhou Yongkun, “Yi fa zhiguo jianshe shehui zhuyi fazhi guojia lilun yantaohui shupin, (A review of the theoretical conference on

legal procedure even if the procedure is expected to be lengthy and costly? If Chinese people do not have appropriate stand and commitment for these questions, legal localism will not be complete, nor will it be reliable.

Legal localism also implies that, more fundamentally, the interests of localities must be recognized and the center must be willing to grant corresponding autonomy to the localities so that they can act according to local preferences. Local rule and autonomy is highly respected in Western democracies as it is rooted in the rise of municipalities or city-states in the Medieval era. In contrast, China has been a centralist country since its unification more than two thousand years ago, and is still a party state based on “democratic centralism.” Thus local political élites are not locally rooted: they are appointed by the Party, and their promotion and rotation is determined at the higher level of authority instead of at the local community. Furthermore, the localities and people are overshadowed by the state in China. They are often called to fight for the prosperity of the state, and sacrifice themselves for the state. This relates to the question we put forward in the very beginning of this thesis: what is the position of the localities and local government in the state? We have to resort to the basic democratic theory for this question, that the state exists to serve its people, and that the state exists because its people think they may live a better life than without the state. It is unreasonable and absurd that people and localities shall sacrifice themselves for the state that is to serve them. Unfortunately, this very basic idea of democracy has not yet taken root in China.

Although China has been moving in the right direction of legal localism, the final reaching of the end is indeed a long-term goal, with consideration of all the political,

building up rule of law in a socialist country by ‘ruling the state by law’),” *Fazhi yu shehui fazhan* (Law and social development), 1997, no. 2, pp. 11-9.

economic and cultural factors. To borrow Lubman's words, "Chinese accomplishments so far amount only to a first step in what promises to be a very long journey."²³⁰

²³⁰ Stanley Lubman, "Introduction: the future of Chinese law," *China Quarterly*, no. 141, March 1995, pp. 1-21.

Chapter 8 Conclusion

This thesis has explored the opportunities available for provincial élites in China to shape local policies based on the two scales developed by Mackenzie and Page. Particularly, the study focuses on Guangdong for more insights and for the longitudinal change of the central-provincial relations. When applicable, comparisons with the developed Western countries are made so as to assess the degree of localism and reveal the characteristics in the arrangements of central-local relations in China.

8.1 Legal centralism and political localism

The pattern of the arrangement of central-provincial relations in China lies broadly in the category of legal centralism and political localism. In other words, while the legal framework has given the central government overwhelming power over the localities, provincial political élites may still acquire substantial opportunities in shaping local policies by influencing national decisions that affect the provinces. There exists the mechanism of “playing to the province,” which secures that the central leaders must pay special attention to and help the provinces. This is similar to that in France and Southern European countries such as Italy and Spain. Page has suggested that the two patterns of localism correspond to two types of local politics, whose major characteristics are summarized in Table 7 (p. 93). It can be seen that local politics in China possesses almost all the characteristics of political localism except for the role of political leadership, due to the lack of democratic election in China.

Indeed, China has many of its unique characters. Above all, most of its provinces are “the size and scale of a European country in population, land area and social complexity.”²³¹ As a result, in many aspects the degree of localism in China is greater than those European countries. In France, a design of swimming pool must obtain ministerial approval,²³² while in China a project involving millions of U.S. dollars may be decided within the province as long as it does not affect other provinces or the nation. It appears not very central even in the legal arrangement, with the consideration of the fact that provincial-level people’s congresses are entitled to enact laws that are congruent with the central laws and regulations to be applied within the jurisdiction. However, this degree of localness is incomparable to that in countries under legal localism. Local government in Britain, for example, may decide how to run education in its jurisdiction, while in China this must follow the national Education Law.

8.2 The lack of institutionalization

While substantial opportunities exist for local authorities to shape local policies, such opportunities are not well institutionalized. This becomes a critical problem in China’s central-local relations. In the first place, the majority of Chinese laws and legal documents do not provide precise specification for the distribution of functions and discretion between different levels of government. Probably a more serious problem is that some public services are not even governed by law simply because the corresponding laws are not available. The vaguely defined provisions in law leave a

²³¹ David S.G. Goodman, “China in reform: the view from provinces,” David S.G. Goodman (ed.), *China’s provinces in reform: class, community and political culture*, London: Routledge, 1997, pp. 1-15.

²³² Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, p. 70.

great room for the politicians and the executive branch to maneuver. However, in the second place, the behaviors and activities of the political leaders are hardly institutionalized neither. Too much are the central-provincial relations based on bargaining between the political leaders and on particular contracting. Finally, even if some agreements concerning central-provincial relations have been reached, or laws and legal documents have been promulgated to regulate such relations, many of them may just be ignored or only carried out in the way as the provinces, or even the central ministries please.

8.3 The change and prospects

However, the experience of Guangdong has demonstrated that the province is undergoing a process towards greater legal localism, and the autonomy of the province has become institutionalized to a considerable degree as many functions and discretion of local government have been prescribed in law rather than political decisions. The development of legal localism, which is rooted in people's review of more than 40 years' institutional history of the People's Republic and various kinds of interests generated in two decades of reform, is robust regardless of the diminishing political localism in Guangdong after 1989. With the vigorous legislative activities at the central and provincial levels, more and more opportunities for local political élites to shape local politics will be based on law. This is a positive indication because this study regards legal localism as a more desirable pattern than political localism. Above all, legal localism represents a more institutionalized arrangement between the center and localities in terms of the universalistic distribution of benefits and the explicit

specification of the respective functions and discretion of the central and local governments.

Worthy of pointing out, not only Guangdong, but many other provinces, saw a boost of local legislative activities in the past two decades. However, what has been achieved so far is remarkably different from that in Western democracies. Law is still conceived and made use of by many people as a means to achieve what they desire. Local autonomy and home rule has not taken root in people's mind and is not sufficiently respected. Therefore, while greater legal localism will be the likely future, whether or not China may reach this end is still constrained by several critical factors, including the respect for legality, and the respect for local interests and autonomy. Clearly, these factors are largely of attitudes and values, and it is these attitudes and values that have been absent in the long history of centralism and dictatorship in China.

This suggests that legal localism will be a long-term goal for China. It is not impossible, however, and there have been positive signs for it. "Ruling the state by law" has been put forward, stressing the need of legislation and law enforcement. The status of law will be elevated with these measures. The practice of the high-degree autonomy and democracy in the village committees that relate to some 900 million peasants, will have fundamental implication on central-local relations in China if the boundary of this practice is extended.²³³ Another important institution conducive to legal localism, the welfare bureaucracy, is also emerging in China due largely to the need for the government, and local government in particular, to provide the new services of social

²³³ *Renmin ribao*, 26 June 1998.

insurance.²³⁴ These reforms are conducive to the transformation of legal localism. It was in the process to “establish units capable of implementing new public services” that Denmark and Norway redefined the responsibilities of governors and transformed their central-local arrangement from political localism to legal localism.²³⁵

8.4 Directions for further studies

The above discussion has revealed many potential topics for further studies. One is the opportunities in implementing central policies. Although by law local government must follow strict central policies, evidence has shown that local political élites may easily bypass or adapt them to local needs in implementation.²³⁶ It will be interesting to know how much this increases the “localness” of provinces, that is, enhances provincial autonomy. The process how and why the current pattern of central-local relations is formed is another topic worthy of further studies. It will help us understand more about the background and nature of the central-local arrangement in China, and therefore better see what has been achieved and where the central-local relations are going. This study has focused on Guangdong, a province with many unique conditions, to provide a longitudinal perspective. Studies on other provinces will certainly help reveal more representative characteristics in the development of central-provincial relations, and a comparison between Guangdong and these provinces may further show what specific factors affect the development course and how.

²³⁴ The Chinese government regards the establishment of social insurance as a prerequisite for further economic reform, especially the state enterprise. Among the nineteen major works the Guangdong government did in 1996, four are about social insurance. *Guangdong Yearbook 1997*, pp. 159-61.

²³⁵ Edward C. Page, *Localism and centralism in Europe: the political and legal bases of local self-government*, pp. 133-4.

The central-local relationship has disserved China for long, not only historically but also today. Now the rapid socio-economic changes in China provide opportunities to improve, or even transform, this critical relationship that has “long been a defining characteristic” of Chinese politics.”²³⁷ With the effort of our politicians, legislators and scholars, it is hoped that a more stable, efficacious and institutionalized central-local relations will be achieved.

²³⁶ Yang Xiaohui, *Shengji zhengfu de zizhu xingwei: kaifang gaige shiqi de guangdong zhengfu* (*Autonomous behavior of the provincial government: Guangdong Government in the reform and open era*), Chapters 4 and 5.

²³⁷ David S.G. Goodman, “China in reform: the view from provinces.”

Appendix

I. A complete list of local legislation of Guangdong

1979

1. Regulation of the Guangdong Provincial Government about dealing with illegal emigrants (annulled on 21 November 1995)

1980

2. Regulation of Guangdong Province for birth control
3. Implementing details for the election of various levels of people's congresses in Guangdong Province (annulled on 8 August 1992)
4. The regulation of the SEZs in Guangdong Province (enacted by the NPC)

1981

5. Provisional regulation for administering people entering and exiting the SEZs in Guangdong Province (annulled on 21 November 1995)
6. Provisional regulation for company registration in the SEZs in Guangdong Province (annulled on 21 November 1995)
7. Provisional regulation for administering labor wage in the SEZs in Guangdong Province (annulled on 1 October 1988)
8. Provisional regulation concerning land administration in Shenzhen SEZ (annulled on 3 January 1988)
9. Provisional regulation of Guangdong Provincial Government against drug trafficking and drug usage (annulled on 21 November 1995)
10. Provisional regulation of Guangdong Provincial Government against drug trafficking and drug usage (annulled on 21 November 1995)
11. Provisional regulation concerning urban public health administration (annulled on 21 November 1995)

1982

12. Provisional regulation of Guangdong Provincial Government about the fine concerning gambling (annulled on 9 October 1991)
13. Provisional regulation for price administration in Guangdong Province (annulled on 1 December 1997)
14. Provisional regulation for construction administration in the cities (annulled on 15 August 1992)
15. Provisional regulation of Guangdong Provincial Government about banning salacious books, pictures and items (annulled on 1 July 1988)

1983

16. Regulation for administering commercial housing in Shenzhen SEZ
(annulled on 21 November 1995)
17. Implementing details about the requisition of land for state construction in Guangdong Province
(annulled on 1 Jan 1987)
18. Decision of the Guangdong PPCSC on amending the *Implementing details for the election of various levels of people's congresses in Guangdong Province*
(annulled on 22 Aug 1992)

1984

19. Regulation of Shenzhen SEZ concerning economic contracts involving foreign parties
(annulled on 21 November 1995)
20. Provisional regulation concerning technology importation of Shenzhen SEZ
(annulled on 21 November 1995)
21. Regulation of Guangdong Province for river and dyke administration
22. Decision of Guangdong PPCSC on passing the *Implementing details of Guangzhou Municipality concerning the requisition of land for state construction and house moving*
(annulled on 1 March 1995)

1985

23. Some regulations of Guangdong Province for protecting women and children's rights
(annulled on 1 September 1994)
24. Regulation concerning trade unions in the companies in the SEZs in Guangdong Province
(annulled on 1 October 1994)
25. Provisional regulation concerning the procedure of enacting local laws by Guangdong PPCSC
(annulled in 1993)
26. Regulation of Guangdong Province concerning the responsibility system for securing organs, associations, companies and institutions
27. Decision of Guangdong PPCSC on implementing article 25 of the *Provisional regulation for price administration in Guangdong Province*
28. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for administering economic contracts*
29. Provisional regulation for administering the exploitation of mineral resources in Guangdong Province
30. Decision of Guangdong PPCSC on approving the *Regulation of Shenzhen SEZ for administering lien loan*
(annulled on 21 November 1995)
31. Regulation for administering the accountancy in companies involving foreign parties in the SEZs of Guangdong Province
(annulled on 21 November 1995)

1986

32. Regulation of Guangdong Province concerning water and soil maintenance
(annulled on 13 October 1993)
33. Decision of Guangdong PPCSC on approving the *Regulation for administering people travelling between Shenzhen SEZ and the inland*
34. Decision of Guangdong PPCSC on amending some articles in the *Regulation of Guangdong Province for birth control*
35. Regulation of Guangdong Province for administering the technological market

36. Implementing details concerning spreading nine-year free education
 37. Regulation concerning companies involving foreign parties in the SEZs in Guangdong Province
(annulled on 1 August 1993)
 38. Regulation concerning the bankruptcy of the companies involving foreign parties in Shenzhen SEZ
(annulled on 1 August 1993)
 39. Implementing details concerning land administration in Guangdong Province
- 1987
40. Implementing details concerning forest administration in Guangdong Province
(annulled on 1 July 1994)
 41. Regulation of Guangdong Province concerning demolishing houses owned by overseas Chinese for state construction
(annulled on 18 May 1995)
 42. Regulation of Guangdong Province for dealing with beggars
 43. Regulation of Guangdong Province for prohibiting prostitution
(annulled on 31 May 1997)
 44. Some regulations concerning the lawyer's operation in Guangdong Province
(annulled on 7 June 1995)
 45. Regulation concerning land administration in Shenzhen SEZ
(annulled on 22 May 1991)
 46. Regulation of Guangdong Province concerning the registration of social associations
(annulled on 21 November 1991)
 47. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Economic and Technology Development Zone*
 48. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for protecting the source of drinking water from pollution*
 49. Decision of Guangdong PPCSC on approving the *Autonomous Regulation of Liannan Yao Autonomous County of Guangdong Province*
- 1988
50. Regulation of Guangdong Province concerning labor security and health
 51. Operation procedure of the Guangdong PPCSC (tentative)
 52. Regulation of Guangdong Province for prohibiting salacious items
(annulled on 31 May 1997)
 53. Regulation of Guangdong Province concerning public assembly, march and demonstration
(annulled on 9 May 1990)
 54. Labor regulation of the SEZs in Guangdong Province
 55. Decision of Guangdong PPCSC on amending Article 14 of the *Regulation of Guangdong Province for river and dyke administration*
 56. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for administering food merchants and food industry managers*
(annulled on 22 September 1997)
 57. Decision of Guangdong PPCSC on approving the *Autonomous regulation of Lianshan Zhuang and Yao Autonomous County of Guangdong Province*
 58. Decision of Guangdong PPCSC on approving the *Autonomous regulation of Ruyuan Yao Autonomous County of Guangdong Province*
- 1989
59. Regulation of Guangdong Province for protecting adolescents

60. Operation procedure of the Guangdong PPC (tentative)
61. Regulations concerning legal supervision by various levels of PPCSC of Guangdong Province (tentative)
(annulled on 26 February 1994)
62. Regulation of Guangdong Province for protecting citizen informants
63. Regulation of Guangdong Province for protecting consumers' rights
64. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality concerning employee education*

1990

65. Regulation of Guangdong Province concerning enlistment
66. Regulation concerning lien loan in SEZs of Guangdong Province
(annulled on 20 December 1992)
67. Implementing details for fishing industry administration
68. Implementing details of *PRC law of assembly, march and demonstration* in Guangdong Province
69. Decision of Guangdong PPCSC on approving *Some regulations concerning assembly, march and demonstration in Guangzhou Municipality*
70. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for administering the responsibility contract in the rural collective economies*

1991

71. Regulation of Guangdong Province for protecting legal rights of the ages
72. Regulation of Guangdong Province for protecting the water quality of the Dong River system
73. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for administering social and cultural markets*
74. Decision of Guangdong PPCSC on amending Article 2 of the *Implementing details concerning spreading nine-year free education*
75. Regulation concerning land administration in the SEZs in Guangdong Province
76. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality concerning the comprehensive treatment for social security*
77. Decision of Guangdong PPCSC on amending the *Implementing details concerning land administration in Guangdong Province*
78. Regulation of Guangdong Province for prohibiting gambling
79. Implementing details for the *PRC water law* in Guangdong Province
80. Regulation of Guangdong Province for administering the administration fee

1992

81. Notice of Guangdong PPCSC on approving the *Implementing details for PRC Water Law in Guangzhou Municipality*
82. Regulation for administering cooperative economic responsibility contracts in rural community in Guangdong Province
83. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality concerning firework sales and usage*
84. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality against air pollution*
85. The regulation concerning the operation of the presidium of the people's congresses at the village and town level
(annulled on 21 November 1995)

86. Decision of Guangdong PPCSC on approving the *Regulation of Guangzhou Municipality for prohibiting the production and sales of forged commodities*
87. Decision of Guangdong PPCSC on implementing the *Regulation of Guangzhou Municipality for prohibiting the production and sales of forged commodities* in the whole province
88. Implementing details for the *PRC city plan law* in Guangdong Province
89. Implementing details for the election for various levels of people's congresses
90. Implementing details for protecting returning overseas Chinese and their families
91. Regulation of Guangdong Province for statistics
92. Decision of Guangdong PPCSC on amending article 21 of the *Regulation of Guangdong Province for protecting the water quality of the Dong River system*
93. Decision of Guangdong PPCSC on approving *Some regulations of Guangzhou Municipality for protecting wild animals*
94. Decision of Guangdong PPCSC on amending the *Regulation of Guangdong Province for birth control*
95. Regulation of Guangdong Province for administering lien loan
96. Regulation for real estate administration in Zhuhai SEZ
97. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for protecting the source of drinking water from pollution*

1993

98. Regulation of Guangdong Province concerning companies
(annulled on 18 January 1997)
99. Regulation of Guangdong Province concerning the bankruptcy of companies
100. Regulation of Guangdong Province concerning processing and assembly business for foreign parties
101. Regulation of Zhanjiang Economic and Technology Development Zone
102. Regulation of Guangdong Province for enacting local legislation
103. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning schooling by social forces*
104. Regulation of Guangdong Province for prohibiting gambling
105. Regulation of Guangdong Province for punishing loan sharks
106. Regulation of Guangdong Province for protecting wild animals
107. Regulation of Guangdong Province concerning the continuings education for scientists and technologists
108. Regulation of Ruyuan Yao Autonomous County of Guangdong Province concerning water resource administration
109. Regulation of Guangdong Province for tender administration in construction projects
110. Implementing details of *PRC law for water and soil maintenance* in Guangdong Province
111. Decision of Guangdong PPCSC on amending Article 2 of the *Regulation of Guangdong Province for administering the administration fee*
112. Regulation of Guangdong Province for administering the protection zone of basic agricultural land
113. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning favorable treatment for the enlisted volunteer soldiers and the settlement of retired soldiers*
114. Regulation of Guangdong Province for the administration of city environment and sanitation in the SEZs
115. Regulation of Guangdong Province for administering commercial electronic game rooms

116. Regulation of Guangdong Province for agent administration
 117. Regulation of Guangdong Province for telecommunication administration
 118. Regulation of Guangdong Province for properties development and operation
 119. Regulation of Guangdong Province for ensuring product quality
 120. Regulation concerning social insurance for employees in Zhuhai SEZ of Guangdong
 121. Regulation of Guangdong Province for higher education administration
 122. Regulation of Guangdong Province for punishing triad activities
- 1994
123. Regulation of Guangdong Province concerning auction of properties (annulled on 18 January 1997)
 124. Regulation of Guangdong Province concerning the transaction of urban properties
 125. Regulation of Guangdong Province for administering private enterprises of science and technology
 126. Regulation of Guangdong Province for protecting the labor right of enterprise employees
 127. Regulation of Guangdong Province concerning the settlement of the people free from prisons and labor education camp
 128. Regulation of Guangdong Province for administering commercial recreational business
 129. Regulation of Guangdong Province concerning the supervision by people's congresses at various levels
 130. implementing details of the *PRC law concerning the representatives of the NPC and local people's congresses at various levels*
 131. Regulation of Guangdong Province concerning the lease of urban housing
 132. Regulation of Guangdong Province for forest protection
 133. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning road administration*
 134. Decision of Guangdong PPC on amending article 12 of the *Regulation of Guangdong Province for protecting the labor right of enterprise employees*
 135. Regulation of Guangdong Province concerning urban properties registration
 136. Regulation of Guangdong Province concerning property appraisal
 137. Regulation of Guangdong Province for fishing harbor administration
 138. Regulation of Guangdong Province concerning the environmental protection of construction projects
 139. Implementing details for *PRC law for protecting women's rights* in Guangdong Province
 140. Regulation of Guangdong Province concerning foundation administration
 141. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for the protection of historical relic*
 142. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning the exploitation of mineral resources*
 143. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality against environmental noise*
 144. Regulation of Guangdong Province for the security administration of leaseholders

145. Implementing details for *PRC law for the protection of the disables* in Guangdong Province
 146. Implementing details for *PRC trade union law* in Guangdong Province
 147. Decision of Guangdong PPC on amending the *Regulation of Guangdong Province concerning labor security and health*
 148. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning enterprise security*
 149. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for postal administration*
 150. Decision of Guangdong PPC on approving the amendment of *Regulation of Guangzhou Municipality for administering economic contracts* by Guangzhou Municipality People's Congress Standing Committee
 151. Regulation of Guangdong Province concerning leasing urban properties owned by overseas Chinese
 152. Regulation of Guangdong Province for administering book, magazine and newspaper markets
 153. Regulation of Guangdong Province concerning the compensation for the acquisition of collective land in rural area
 154. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning fishing administration*
 155. Implementing details for PRC law concerning mine security
 156. Decision of Guangdong PPC on approving the amendment of *Regulation of Guangzhou economic and technology development zone* by Guangzhou Municipality People's Congress Standing Committee
 157. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for administering foreign-invested enterprises*
- 1995
158. Regulation of Guangdong Province concerning road transportation
 159. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning land administration*
 160. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for stopping unusual discontinuation of schooling by students within the age period of free education*
 161. Pawn Regulation of Guangdong Province
 162. Regulation of Guangdong Province concerning collective business
 163. Implementing details for PRC law for spreading agricultural law in Guangdong Province
 164. Regulation of Guangdong Province concerning demolition of urban housing owned by overseas Chinese
 165. Regulation of Guangdong Province concerning lawyer licensing (annulled on 1 December 1997)
 166. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for preventing pollution from food industry in the Pearl River inside Guangzhou*
 167. Decision of Guangdong PPC on approving the *Implementing details for PRC trade union law in Guangzhou Municipality*
 168. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for preventing communicational diseases*
 169. Decision of Guangdong PPC on approving the *Social security regulation of Guangzhou Municipality*

170. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning the usage and administration of farm chemicals*
 171. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for administering the agricultural product market*
 172. Regulation of Guangdong Province for road administration
 173. Regulation of Guangdong Province for handling disputes on land ownership
 174. Regulation of Guangdong Province for the promotion of science and technology
 175. Implementing details concerning the elections of people's congresses at various levels
 176. Decision of Guangdong PPC on approving the amendment of *Regulation of Guangzhou Municipality concerning firework sales and usage* by Guangzhou Municipality People's Congress Standing Committee
 177. Regulation of Guangdong Province for preventing forest fire
 178. Regulation of Guangdong Province for the administration of the navigation lane
 179. Working Regulation for the chairperson and presidium of people's congresses at the village and town level in Guangdong Province
 180. Regulation of Guangdong Province on the appointment and dismiss of members of the standing committee of people's congress at various levels
 181. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning the examination of rural collective economies*
 182. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for protecting Baiyun Shan resort*
 183. Decision of Guangdong PPC on approving the amendment of the *Regulation of Guangzhou Municipality for prohibiting the production and sales of forged commodities* by Guangzhou Municipality People's Congress Standing Committee
 184. Decision of Guangdong PPC on the revocation of some Guangdong local laws promulgated before September 1995
- 1996
185. Regulation of Guangdong Province for administering the rural collective properties
 186. Regulation of Guangdong Province for administering commercial performance
 187. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for protecting women's rights*
 188. Regulation of Guangdong Province for administering economic contract
 189. Implementing details for PRC law against inappropriate competition
 190. Regulation for protecting drinking water source in Zhuhai Municipality
 191. Implementing details for *PRC organic law for urban resident committees* in Guangdong Province
 192. Regulation of Guangzhou Municipality concerning city environment and sanitation
 193. Regulation of Guangzhou Municipality for telecommunication administration
 194. Regulation of Guangzhou Municipality for administering commodity transportation on water channel
 195. Regulation of Guangzhou Municipality for the administration of vegetable bases
 196. Decision of Guangdong PPCSC on amending article 33 of the *Regulation of Guangdong Province for higher education administration*

197. Decision of Guangdong PPC on approving the amendment of the *Regulation of Guangzhou Municipality concerning employee education* by Guangzhou Municipality People's Congress Standing Committee
198. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for administering domestic dogs*
199. Regulation of Guangdong Province concerning the contracts of enterprise group
200. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning animal quarantine*
201. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for the administration of medical emergency treatment*
202. Working Regulation for appraising cadres by standing committees of people's congresses at various levels
203. Regulation of Guangdong Province concerning labor supervision
204. Regulation of Guangdong Province concerning the fine limit
205. Decision of Guangdong PPCSC on amending article 7 of the *Regulation of Guangdong Province for administering book, magazine and newspaper markets*
206. Regulation of Guangdong Province concerning patent protection
207. Regulation of Guangdong Province concerning the burden of peasants
208. Regulation of Guangdong Province for the administration of seeds of agricultural products
209. Regulation of Guangdong Province concerning the quality administration of construction projects
210. Decision of Guangdong PPCSC on amending the *Regulation of Guangdong Province for river and dyke administration*
211. Decision of Guangdong PPCSC on amending the *Regulation of Guangdong Province for prohibiting gambling*
212. Working Regulation for the examination of law enforcement by standing committees of people's congresses at various levels in Guangdong Province
213. Decision of Guangdong PPC on approving the amendment of the *Regulation of Guangzhou Municipality concerning firework sales and usage* by Guangzhou Municipality People's Congress Standing Committee
214. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for city planning*
215. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for greenery planting*
216. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality for protecting agricultural environment*
217. Decision of Guangdong PPC on approving the *Regulation of Guangzhou Municipality concerning the administration of children education*
- 1997
218. Regulation of Guangdong Province concerning surveying
219. Regulation of Guangdong Province concerning fuel gas
220. Implementing details for the *Law for protecting the investments of Taiwan people* in Guangdong Province
221. Regulation of Guangdong Province concerning meteorological administration
222. Regulation of Guangdong Province for administering the public projects funded by overseas Chinese
223. Regulation of Guangdong Province for administering the executive law enforcing teams

224. Regulation of Guangdong Province concerning the supervision of law enforcement in people's governments at various levels
225. Regulation of Guangdong Province concerning property appraisal
226. Implementing details of Guangdong Province for the *PRC law for preventing environmental noise pollution*
227. Regulation of Guangdong Province for the administration of preventing incidents and emergency administration in public nuclear projects
228. Regulation of Guangdong Province for protecting the rights of scattered minorities
229. Decision of Guangdong PPC concerning the medical insurance and insurance for the ages in implementing the *Regulation concerning social insurance for employees in Zhuhai SEZ of Guangdong* by Zhuhai Municipality
230. Working Regulation concerning the implementation of case supervision by standing committees of people's congresses at various levels in Guangdong Province
231. Regulation of Guangzhou Municipality for administering municipal facilities
232. Regulation of Guangzhou Municipality for statistics administration
233. Regulation of Guangzhou Municipality concerning the demolition of houses
234. Regulation of Guangzhou Municipality concerning environmental protection
235. Construction Regulation of Guangzhou Municipality
236. Regulation of Guangzhou Municipality for administering the river basin of Liuxihe
237. Regulation of Guangzhou Municipality for administering social medical institutions
238. Regulation of Guangzhou Municipality for administering the butchery industry and sales of the meat products
239. Regulation of Guangzhou Municipality for protecting the rights of private enterprises
240. Regulation of Guangzhou Municipality concerning the public housing fund
241. Regulation of Guangzhou Municipality concerning the association of science and technology
242. Regulation of Guangzhou Municipality for research fund administration
243. Regulation of Guangzhou Municipality for labor contract administration
244. Regulation of Guangzhou Municipality for preventing automobile gas pollution
245. Regulation of Guangzhou Municipality for park administration
246. Regulation of Guangzhou Municipality for protecting the water-keeping forest of Liuxihe
247. Regulation of Guangzhou Municipality for protecting water conservancy facilities
248. Regulation of Guangzhou Municipality concerning religious affairs
249. Regulation of Guangzhou Municipality for monitoring city management

II. Leaders of Guangdong Province, 1949-1998

Before 1978

Period	The secretary
Aug. 1949 – Jul. 1955	Ye Jianying
Jul. 1955 – Feb. 1965	Tao Zhu
Feb. 1965 – early Cultural Revolution period	Zhao Ziyang
Dec. 1970 – Mar. 1972	Liu Xingyuan
Mar. 1972 – Dec. 1973	Ding Sheng
Apr. 1974 – Oct. 1975	Zhao Ziyang
Oct. 1975 – Nov. 1978	Wei Guoqing

After 1978

The Revolutionary Committee

Period	The secretary
Nov. 1978 – Nov. 1980	Xi Zhongxun (First Secretary)
	Yang Shangkun (Second secretary)

The Party Committee

The Government

Period	The secretary	Period	The governor
Nov. 1980-Jul. 1985	Ren Zhongyi	Feb. 1981-Apr. 1983	Liu Tianfu
		Apr. 1983-Aug.1985	Liang Lingguang
Jul. 1985-Jan. 1991	Lin Ruo	Aug. 1985-May 1991	Ye Xuanping
Jan. 1991-Mar.1998	Xie Fei	May 1991-Feb.1996	Zhu Senlin
		Feb. 1996 - now	Lu Ruihua
Feb.1998 - now	Li Changchun		

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